



Daily Report

East Asia

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Regional Human Rights Conference Opens in Osaka

*OW2206125092 Tokyo KYODO in English 1143 GMT
22 Jun 92*

[Text] Osaka, June 22 KYODO—Some 70 representatives from Japan and 10 other Asian countries and regions on Monday opened a four-day international conference in Osaka on human rights in the Asia-Pacific area.

Human rights activists and researchers from Thailand, Australia, the Philippines, South Korea, Malaysia, Nepal, Pakistan, Sri Lanka, and Hong Kong are among the countries and regions represented at the gathering, organizers said.

The conferees are expected to draft a proposal to be submitted to a United Nations-sponsored world conference on human rights slated for next June in Vienna, they said.

Participants will also discuss how to promote a plan submitted by the Osaka prefectural government for an Asia-Pacific human rights information center in Osaka.

Saiichiro Uesugi, leader of a Liberation League of "Burakumin"—Japan's largest socially discriminated minority group—said in an opening speech "there are no regional organizations devoted to securing human rights in the Asia-Pacific area."

He added that rights of aborigines, minority groups, as well as children and women are now being infringed upon in the Asia-Pacific region.

Prof. Kinhide Mushakoji of Meiji Gakuin University, chairman of the organizing committee, stressed in his keynote address "Development in Harmony with Human Rights."

Mushakoji said aboriginal cultures are in danger due to industrial development-oriented dictatorships in Asia. He added such dictatorships have stepped up feudalistic discrimination in the region but did not specify which countries he was talking about.

Cambodia Meeting Shows Japan's New Regional Role

*BK2506035792 Bangkok THE NATION in English
25 Jun 92 p A6*

[By Kawi Chongkitthawon]

[Text] Tokyo—It was exactly two years ago this month, that Japan first decided to embark on a mammoth political undertaking—to play host to the first Cambodian peace talks since World War II. On Monday, it paid off.

Cambodia is a stage which Japan has carefully and rightfully chosen to test its new foreign policy approach in the post-Cold War era—using its existing economic clout and growing political influence in the region simultaneously. Inevitably, Japan's experiment in Cambodia

will help shape its future global policy and formulate its new international identity, which plays a big part in Japan's new world order.

The just-concluded conference to raise financial and technical assistance to Cambodia was overwhelmed by Japan's generous promise to contribute between US\$150-200 million. Of all the donors in the US\$880 million pledge, Japan has promised the largest sum.

"This conference is very important for Japan and its new international commitment," said Koji Kakizawa, parliamentary vice foreign minister who chaired the ministerial conference.

Prince Norodom Sihanouk, chairman of Cambodia's Supreme National Council (SNC), spent almost 20 minutes showering praises on Japan's generosity and its desire to help Cambodia.

Similarly, William Draper, administrator of UN Development and Planning, strongly endorsed Japan's increased regional role, especially its financial commitment in trying to rebuild post-war Cambodia.

Yukio Imagawa, the Japanese ambassador to Phnom Penh, said Japan has shown the world of its commitment in Cambodia not only with words but also with deeds, and in his opening speech, Japanese Prime Minister Kiichi Miyazawa said the Tokyo conference and the dispatch of Japanese troops to Cambodia marked an "epoch" in the history of Japan's international relations.

Months ahead will witness Japan's active involvement in Cambodian affairs as well as future planning pertaining to Japan's peace-keeping operations in foreign countries. After two years of keeping a low profile since the 1990 conference on Cambodia, which was scuttled by the non-attendance of the Khmer Rouge, Japan has now gained confidence in dealing with a complicated issue.

Seiji Morimoto, director of the Foreign Ministry's international press division, said due credit should be given to Japan for its efforts in convincing the Khmer Rouge to attend Monday's Tokyo conference.

Representatives to the conference admitted that Cambodia is an ideal place for Japan to grow "internationally" because the war-torn country, like Thailand, did not suffer from the harsh consequences of Japan's military adventures during World War II.

Cambodian leaders have expressed support for Japan's assistance. In fact Prime Minister Hun Sen was the first foreign leader to welcome the deployment of self-defence forces to Cambodia, quite contrary to outcries being raised in China, South Korea, Taiwan and Vietnam.

Japan has been seeking a renewed diplomatic role in the region, now that the Second World War ended about forty-seven years ago. The burning question was where could it start from in Southeast Asia:

Even with its economic might, it has failed repeatedly to wield influence in regional affairs—including winning the trust and confidence from countries in Asia. Now, Japan has found Cambodia and in two short years it has realized its post-Cold War geopolitical ambitions and is successfully moving ahead.

Immediately after the end of Monday's conference, there was a sense of euphoria in Tokyo when it was realized that now Japan had an opportunity to embark on a new direction in its diplomatic efforts in Cambodia. This of course would serve to uplift its status in the eyes of the world community.

However, the recent passage of the Peacekeeping Operations Law (PKO) which authorizes the dispatch of Japanese troops overseas, could bring unseen complications to Japan's diplomacy if it moves too fast and becomes too enthusiastic.

The Japanese Government wants to participate urgently in the same manner as other countries have done in UN peacekeeping operations. It might also feel strongly about its international contribution, particularly in Cambodia, where Tokyo might want to play a more active role in making sure the UN-brokered peace accords hold.

This line of thought however is not necessarily shared by the Japanese public, many of whom are still guilt-ridden by the atrocities committed by the Japanese Army in World War II.

They feel that their government has been under "gaiatsu" or outside pressure to contribute more to international peace. Some think Japan should go slow on PKO co-operation.

On the other hand, the Japanese people who have benefitted from the anti-war constitution know that Japan should realize its global responsibilities commensurating with its economic power. However at this point

in time, they have no idea, nor any consensus on how this appropriate role should be played.

Cambodia would be the testing ground for the new Japan. How it goes about it would determine Japan's future diplomatic activities in this region especially since anti-PKO lobbyists would be watching Tokyo's performance closely in this Indochinese country.

APEC To Establish Permanent Secretariat

*SK2406104392 Seoul YONHAP in English 0931 GMT
24 Jun 92*

[Text] Bangkok, June 24 (YONHAP)—The member nations of the Asia-Pacific Economic Cooperation (APEC) ministerial conference have agreed to establish a permanent APEC secretariat.

The agreement was reached at a senior officials meeting of the ministerial conference held here in Bangkok for three days beginning June 22 to prepare for the next fourth APEC conference slated for coming September in Bangkok.

Yi Song-kon, assistant Korean foreign minister for policy planning, who led a Korean delegation at the second senior officials' meeting, said Wednesday, "attending delegates agreed to establish a small-size permanent secretariat as agreed on at the third APEC conference in Seoul."

The secretariat is expected to be manned by a secretary general, a vice secretary general, up to five experts and six to seven administrative staffers.

Yi said the location of the secretariat will be determined at the Bangkok APEC conference.

He declined a comment on the possibility of South Korea playing host to the secretariat. But, Korea was known among several countries including Thailand that are interested in inducing the secretariat.

Japan

Ross Perot Calls Tokyo Competitor, Not Enemy

OW2506004292 Tokyo KYODO in English 0030 GMT
25 Jun 92

[Text] Washington, June 24 (KYODO)—Undeclared U.S. presidential candidate Ross Perot said Wednesday that tough economic competition from Japan should not detract from the friendship between the two countries.

"Japan is not our enemy. Japan is our competitor," Perot told a news conference following a stumping tour of Annapolis, Maryland.

Perot, outlining his foreign policy goals for the first time in his undeclared presidential campaign, also called for a shift in U.S. foreign policy focus from traditional security-centered diplomacy to economic relations.

Saying that embassies were created in "the days of the sailing ship," the self-made Texan billionaire said U.S. foreign-policy makers should focus on economic relations rather than traditional diplomatic ties.

Singling out Japan as the primary economic competitor of the United States, Perot said Americans "should not hate somebody simply because they can make a better product."

He also made clear his view that the United States should review its security relationship with Japan and Germany, saying "it is a joke" for the United States to pay for the security of "the world's great economic superpowers."

While paying tribute to Japan's prowess as an effective competitor, Perot argued that the Japanese have piled up enormous advantages in trade "because of our ineptitude in negotiations."

"If you have never looked at Japanese trade agreements... take a look at them, and you'll realize that we don't know how to trade or negotiate," he said.

Perot said that while trading relations with Japan should be "worked out diplomatically over time," the key to regaining the U.S. economic edge is through competition.

"Get organized, get your team together, learn to beat them," he said.

"This is healthy competition. We need to make sure that we don't let anything happen to our warm relationship with Japan just because they're a very effective competitor."

On security ties with Japan and its other allies, Perot said the United States should seek to work out "tactfully, diplomatically" a solution with its partners on how to lessen the U.S. financial burden.

"They have a tremendous advantage in being able to use all that money to build their country. We use a lot of that money to protect them. All those things have to be worked out," he said.

On Russia, the only other country Perot cited by name in his news conference, he said the United States should help them because "that's pennies on the dollar compared to having to go back to the cold war."

Trade Friction Said Not U.S. Campaign Issue

OW2606082192 Tokyo KYODO in English 0812 GMT
26 Jun 92

[Text] Tokyo, June 26 KYODO—Japan is pleased that Japan-U.S. trade friction has not become a major issue in this year's U.S. Presidential campaign, a Foreign Ministry spokesman said Friday.

"Up to now, many of the serious presidential candidates have stayed away from making the trade issue an inflammatory national issue in the American campaign," spokesman Masamichi Hanabusa told foreign correspondents. "I think it is a very gratifying phenomenon."

Vice President Dan Quayle said in May he doubted trade friction with Japan would become "an election-dominating issue."

But he told reporters in Tokyo on a trip to Japan that while the campaign initially had focused on domestic issues, by election day in November, "the debate will shift to foreign policy."

Ross Perot, the Texas billionaire expected to announce an independent presidential candidacy, has been particularly outspoken, calling on Tokyo to pay more for the cost of stationing U.S. military forces in Japan.

Perot said at one point that one of the first things he would do as president would be to present Japan and Germany each with a check for 50 billion dollars to compensate for security provided by U.S. Forces.

The presumed Democratic Party nominee, Gov. Bill Clinton of Arkansas, recently called for higher taxes on foreign companies operating in the United States, saying many avoid U.S. taxes by distorting the prices at which they ship goods to U.S. subsidiaries.

Miyazawa's Departure, Political Events Previewed

OW2606062092 Tokyo KYODO in English 0449 GMT
26 Jun 92

[Text] Tokyo, June 26 (KYODO)—Prime Minister Kiichi Miyazawa goes to Washington next week for a meeting with President George Bush to reaffirm Japan-U.S. global partnership prior to the annual economic summit of Group of Seven industrially advanced nations July 6-8 in Munich.

Miyazawa is scheduled to depart from Tokyo on Tuesday, June 30, on a direct flight to the U.S. capital for

talks with Bush at the White House on Wednesday, July 1. Miyazawa and Bush are expected to discuss aid to the former Soviet republics and bilateral relations, including the global partnership they pledged in the Tokyo Declaration issued in January at the conclusion of Bush's trip to Japan.

In the absence of the prime minister in the coming week, Sunday, June 28, through Saturday, July 4, political wheeling and dealing such as that held this week over subsidies to farmers will grind to a halt. Miyazawa is slated to fly home on July 9 from Germany.

But with the Diet in recess after passing a bill opening the way for Japan's Self-Defense Force personnel to participate in United Nations peacekeeping operations abroad for the first time since World War II, and half of the 252 seats in the House of Councillors up for grabs in an election on July 26, political leaders and those who plan to run for the poll will be busy hopping from place to place for private speech-making sessions.

Campaigning for the upper house election will officially get under way on July 8. Voters in Saitama Prefecture on July 26 will also cast ballots to pick the successor to Yoshihiko Tsuchiya, who gave up his upper house seat and was elected governor on June 21.

Masami Tanabu, minister of agriculture, forestry, and fisheries, leaves Monday, June 29, on a 10-day trip to Canada and the U.S. high on the list of subjects he will discuss with his Canadian and U.S. counterparts is the tariffication proposed by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT) as a means to bring world trade talks to a successful conclusion.

A team of a dozen Japanese Government officials, including uniformed officers, will visit Cambodia for a weeklong on-the-spot study of the country before the dispatch of Japanese troops for a U.N. peacekeeping mission.

The group, headed by Tatsuo Arima, chief cabinet councillor for external affairs at the Prime Minister's Office, leaves Tokyo on Wednesday, July 1. It includes officials from the National Police Agency, the Foreign Ministry, the Defense Agency, the Ministry of Transport, and the Ministry of International Trade and Industry.

Two major social events of note are on next week's calendar—an annual Gion Festival in the cultural city of Kyoto and the inauguration of the superexpress train service linking Tokyo with Yamagata Prefecture, northeastern Honshu, both on Wednesday, July 1.

The Gion Festival, one of the three greatest festivals in Japan, lasts until the end of July. Its biggest attraction will be on July 17 when participants pull out elaborately decorated floats for parades in parts of Kyoto surrounding the Yasaka Shrine.

The start of the superexpress "Tsubasa" train service will connect the 360-kilometer distance between Yamagata and Tokyo in two hours and 50 minutes. There will be one daily train run that will make only one stop at Fukushima and negotiate the distance in two hours and 27 minutes.

Other events scheduled next week include:

—a press conference by Keigo Ouchi, chairman of the opposition Democratic Socialist Party, in Osaka on Monday, June 29.

—a speech by Satsuki Eda, chairman of the opposition United Democratic Socialist Party, on Tuesday, June 30, at the Japan National Press Club in Tokyo.

—a speech by Ichiro Ozawa, former secretary general of the governing Liberal Democratic Party, at a luncheon of the Foreign Correspondents Club on Wednesday, July 1.

Offices of the Tokyo Metropolitan and Tochigi Prefectural governments will remain closed on Saturdays, beginning on July 4, to put the five-day-week working system into practice.

Central government office workers have already been receiving two days off a week.

Land Dispute on Agenda of Bush-Miyazawa Meeting

OW2506011292 Tokyo KYODO in English 0108 GMT 25 Jun 92

[Text] Washington, June 24 (KYODO)—Japan's territorial dispute with Russia will be on the agenda in next week's summit meeting between U.S. President George Bush and Japanese Prime Minister Kiichi Miyazawa, a senior U.S. official said Wednesday.

The official, in a meeting with foreign reporters, said the United States wants to find out from Miyazawa on how the territorial issue affects Japan's economic assistance to Russia.

The territorial dispute concerns four islands located off eastern Hokkaido and known in Japan as the "northern territories," which the former Soviet Union seized at the end of World War II.

"We'll be ready and willing to listen what his thoughts are on that," the official said.

Miyazawa is scheduled to meet with Bush on Wednesday next week during a three-day stop in Washington while en route to Germany for the annual summit meeting of the Group of Seven (G-7) industrial powers.

The senior administration official, who spoke on condition that he not be named, said he expects the two leaders to discuss economic and regional security issues during their run-up meeting to the G-7 summit in Munich.

Bush and Miyazawa will also discuss economic aid to the former Soviet Union and Eastern Europe, another major topic in the G-7 summit, the official said.

Japan has joined its G-7 partners in committing a 24 billion dollar aid package to Russia, but Tokyo has insisted that a major program of bilateral assistance is conditional on a settlement of its territorial dispute with Russia.

Nuclear-Fuel Carrying Ships on Emergency Stops

*OW2606032392 Tokyo KYODO in English 0309 GMT
26 Jun 92*

[Text] Washington, June 25 (KYODO)—Three of five vessels involved in shipping spent nuclear fuel from Japan to Britain were diverted to Hawaii because of medical emergencies and at least one ship called at the Honolulu port.

An unspecified industrial accident also forced one of the five ships to change course and call at Bermuda for crew transfer, according to shipping documents and the Bermuda Port Authority.

Harbor officials identified the vessel which made the unscheduled port call in Honolulu as the Pacific Crane, a cargo ship which the Japanese Government plans to use later this year for carrying plutonium from Europe to Japan.

The unscheduled port calls, denied by the operators of the vessels, have angered opponents of the controversial plutonium shipment plan.

A U.S. congressman who is pushing for legislation to deny the entry of plutonium-carrying vessels into U.S. ports called the information on the emergency port call at Honolulu "alarming."

"Any emergency situation, by definition, involves unanticipated events. The next emergency call at Honolulu may be the result not of a medical emergency but a catastrophic accident at sea," Hawaiian Congressman Neil Abercrombie said.

Such accidents, he said, raise the possibility of the highly toxic plutonium escaping into the atmosphere or ocean.

According to Japanese officials, the Japanese Government plans to use the Pacific Crane, a 3,857-ton cargo ship, to transport one ton of plutonium from France to Japan some time this fall.

The cargo is the first shipment of approximately 30 tons of plutonium reprocessed in France and Britain from spent nuclear fuel from Japan.

Alan Murakami, supervisor of harbor operations at Honolulu Harbor, told KYODO News Service on Thursday that the Pacific Crane called at Honolulu in March last year because of "some kind of medical emergency."

He said the "overseas vessel movement log" kept by the Honolulu Marine Traffic Controller shows the ship anchored at a point about one mile (1.6 kilometers) off Honolulu Harbor at 7:40 A.M. March 2, 1991.

The ship, which was bound for Japan, left port "presumably on the same day. They did not check with us," Murakami said in a telephone interview.

A spokesman for the Bermuda Harbor Authority also confirmed that the Pacific Swan, one of the five nuclear-fuel transport vessels, made a brief port call in Bermuda on July 13, 1990, while en route to Britain.

A local Bermuda newspaper reported July 27 that year that the Pacific Swan arrived at five fathom hole in Bermuda at 3:15 P.M. for crew transfer.

British Nuclear Fuels Ltd. (BNF), the British owners of the five nuclear-fuel transport vessels, acknowledged that the vessels in question were diverted to Hawaii and Bermuda for emergency crew transfers but denied they made port calls.

"All the crew transfers were undertaken outside the port limits," BNF Spokesman Harold Ashurst said from the company's headquarters in Britain, when asked about the port calls.

"Questions covering the Crane are covered by the confidentiality clause which the Japanese have insisted upon," he said.

According to an April 1991 report prepared for British Port Authorities by Allister Thomas, head of operations of BNF's Transport Division, three of the five nuclear-fuel transport vessels "were of necessity diverted" to Honolulu during 1990 and 1991 for medical support.

The five vessels together made nine voyages between Japan and Britain during the 1990/1991 fiscal year, the report said.

Murakami of Hawaii Harbor said that apart from the Pacific Crane, there were no records of port entry by other BNF ships during that period.

The Thomas report said two vessels were diverted to Honolulu by unspecified "industrial accidents" on board the ships, and the third the result of a heart attack sustained by a chief engineer.

Ashurst said the Pacific Swan was diverted to Bermuda also because of an "industrial accident."

He said he could not specify what sort of industrial accident was involved but the Bermuda newspaper, ROYAL GAZETTE, said the accident occurred in the ship's engine room and one crewman received minor injuries.

Apart from the emergency port calls in Hawaii and Bermuda, one of the five nuclear fuel transport vessels developed cracks in its main engines after a diverted,

nonstop trip from Japan to Britain in January 1990, an internal memo of British Port Authorities dated May 1990 said.

The document said the Pacific Teal, the ship in question, was diverted from its scheduled route of Panama Canal to Cape of Good Hope off South Africa as a result of the U.S. invasion of Panama in December 1989.

"Although the vessel was eight years old, problems of this sort had not been anticipated," the memo quoted Thomas as saying.

"Each cylinder block on the main engines had cracked," the document said.

Both the internal memo and the Thomas report emphasized the safety record of British nuclear fuels in the shipment of spent nuclear fuels.

The Thomas report noted that the five ships had safely completed a total of 79 round voyages carrying spent nuclear fuel from Japan to Britain since the first voyage in 1979.

The vessels "have now collectively safely traveled in excess of 3.3 million miles," it said.

Miyazawa To Take 'Asian Message' to Summit

OW2506032192 Tokyo KYODO in English 0310 GMT 25 Jun 92

[Article by Shiro Yoneyama; first in a series of four articles on the July 6-8 Munich Economic Summit]

[Text] Tokyo, June 25 (KYODO)—Japanese Prime Minister Kiichi Miyazawa, making his debut as premier at the July economic summit of seven leading industrialized nations, has been boning up on Asian issues in order to represent the region's interests in Munich.

Reflecting the supposed "Asianization" of Japan, Miyazawa on Monday met with Cambodia's Prince Norodom Sihanouk, delivered a speech at a ministerial conference on Cambodian reconstruction, and invited former Singaporean Prime Minister Lee Kuan Yew to a meeting of his private Asia-Pacific Advisory Panel.

The same day, in his first news conference since the passage of a bill allowing Japan to send troops to join United Nations peacekeeping missions, Miyazawa said Japan will send a fact-finding mission to Cambodia at the end of the month.

To assess opinions from a broad spectrum of Asian countries, particularly about the projected overseas dispatch of Japan's Self-Defense Forces, Miyazawa invited Japanese ambassadors to China, South Korea, and Indonesia to his official residence Wednesday. He also met Tuesday with visiting Indian Prime Minister Narasimha Rao.

Despite what are perceived in Japan as westernized traits such as proficiency in English, Miyazawa has championed the causes of Asian issues and promoted what his aides call "Miyazawa Doctrine" of Asian integration.

Japanese officials say Miyazawa will carry the Asian message to Munich on July 6-8 to the annual summit of leaders of the Group of Seven (G-7), which comprises the United States, Japan, Germany, France, Italy, Britain, and Canada.

The 12-nation European Community will also send its top officials to the summit, the 18th in a series that began in Rambouillet, France in 1975.

"We want our G-7 partners to recognize the importance of economic growth in East Asia to the world economy," said a high-ranking Foreign Ministry official heavily involved in preparations for the Munich Summit.

The official, speaking on condition of anonymity, said Japan explained its Asia-oriented policy to visiting South Korean Deputy Premier Choe Kak-kyu earlier this month as well as to representatives of the Association of Southeast Asian Nations who attended the Tokyo Conference on Cambodia.

Japanese officials said preparatory meetings for the summit so far have mainly dealt with aid to the Commonwealth of Independent States, European Union, ethnic conflicts in Yugoslavia and East European countries, and the Middle East.

Commenting on reports that there is no reference to Asia in a proposed G-7 document on aid to Russia, another senior ministry official said in exasperation, "I think the time has come to have an Asian Summit." He declined to say if he thinks the Asia-Pacific Economic Cooperation (APEC) framework, which includes the United States, Canada, and Australia, would be an appropriate forum for such a summit.

Also high on Miyazawa's agenda is seeking renewed backing from his G-7 partners for Japan's claim to four Russian-held islands off Hokkaido, Japanese officials said.

He will have the opportunity to seek such support in presummit talks with U.S. President George Bush in Washington and at Camp David, and with British Prime Minister John Major, Canadian Prime Minister Brian Mulroney, and European Community Leaders in London.

Miyazawa plans to use the Munich gathering to win unified G-7 support for the return of the islands before a symbolic showdown with Russian President Boris Yeltsin, who will meet the G-7 leaders after their summit.

"The time is ripe now to work out a Japanese-Russian peace treaty," Miyazawa said at Monday's press conference, calling the continued Russian occupation of the islands "a legacy of Stalinism."

But a senior ministry official acknowledged there has long been a "perception gap" over the territorial issue between Japan and Western Europe.

"There are only a few people in Western Europe who know the northern territories were seized (by Soviet troops) two weeks after Japan's formal surrender on August 15 (1945)," he said.

When Miyazawa met with French President Francois Mitterrand and German Chancellor Helmut Kohl in May, they were more anxious to hear about Japan's view of China than about the territorial dispute, the official said.

Tokyo Faces G-7 Pressure on Structural Surplus
*OW2606030292 Tokyo KYODO in English 0109 GMT
26 Jun 92*

[Article by Shiro Yoneyama; second in a series of four articles on the 6-8 July Munich Economic Summit]

[Text] Tokyo, June 26 (KYODO)—If presummit pronouncements on Japan's trade and economic policies are any guide, Prime Minister Kiichi Miyazawa will face a tough audience at the Munich Economic Summit.

"Japan has a structural surplus with the rest of the world," observes Kenneth Courtis, senior economist at Deutsche Bank Capital Markets (Asia).

He foresees further tensions between Japan and the United States, which has had surpluses or balanced trade with its key trading partners except Japan since the plaza accord of 1985.

That portends big trouble for Miyazawa, who is struggling to bring the world's second-largest economy out of a slump in which it has been battered by an economic slowdown, stock price free-falls, and a flat real estate market.

As Courtis sees it, Japan's ballooning external surplus will be one of four major issues confronting leaders of the Group of Seven (G-7) major industrialized countries as they meet in Munich from July 6 to 8 for their 18th annual economic summit.

The other three key topics, he said in an interview, are economic assistance to the Commonwealth of Independent States (CIS), growth in the world economy, and more frequent coordination with developing countries of the kind seen at the Earth Summit.

Current hot issues such as the environment and AIDS are "fundamentally economic issues," Courtis said, adding Japan should follow the examples of north-south dialogue on environmental protection and economic aid seen between the United States and Latin American countries and between Germany and African Countries.

"Japan has to play that kind of role (in Asia) as regional representative," he said.

The Paris-based Organization for Economic Cooperation and Development (OECD) is projecting that Japan's current account surplus will top 100 billion dollars this year and grow further in 1993 while its principal trading partners such as the United States and Canada will experience soaring current account deficits.

A highly placed Foreign Ministry source boasted that Japan is the only OECD member country with a budget surplus. Faced with the inescapable conclusion that Japan's external surplus will be high on the summit agenda, another senior Foreign Ministry official shrugged and said, "it's a political summit this time."

Despite high interest rates in Germany, the huge costs of unification make it unlikely that other G-7 countries will press the summit host to lower them, predicted Yoshiyuki Noguchi of the Nomura Research Institute.

Also, he said, Denmark's rejection of the Maastricht Treaty on European unity is like "pouring cold water on the movement toward trade liberalization."

In the meantime, Japan is under fire for piling up external surpluses at the expense of its workers, who have to toil long hours, and its consumers who have to pay exorbitant prices for almost everything.

Courtis, whose pungent analysis of the Japanese economy prompted undeclared U.S. presidential candidate Ross Perot to contact the Tokyo-based economist during his recent U.S. trip, said Japan is in need of a fundamental shift to a consumer-oriented society.

To begin with, he recommended reforming the Japanese tax system to allow the Japanese consumer to respond to market forces.

Courtis argued that stopgap measures will not make the Japanese system conform with the supposedly more transparent systems in other industrial countries which put the interests of consumers before those of producers.

Mindful of such criticism, the ruling Liberal Democratic Party, which faces an uphill battle in the July 26 House of Councillors elections, has come up with a 7 trillion yen supplementary budget plan, including 6 trillion yen in public works spending, a move which has almost become a presummit ritual.

The special budget program is the second economic rescue package in three months and comes a month after the OECD called on "countries with large surpluses and declining growth" to strengthen domestic demand through "appropriate measures."

By releasing such a sizable fiscal spending program ahead of an annual G-7 summit, however, Japan is once again giving the impression to the rest of the world that external pressure is an effective tool to make Japan move.

But one area where Japan is unlikely to change is its protective agricultural policy—notably its curbs on rice imports.

Despite the pledges by all the G-7 member countries and other OECD countries to work for a "substantial, comprehensive and balanced outcome" to the Uruguay Round, the multilateral trade talks have been deadlocked mainly over U.S.-EC farm disputes.

And Japan is not in a mood to intervene to break the impasse. Nomura economist Noguchi said a lack of movement on the Uruguay Round would increase the chances that U.S. legislators may succeed in 1993, if not this year, in passing legislation aimed at penalizing Japan's chronic trade surplus with the United States.

Miyazawa To Urge Yeltsin To Return Islands

*OW2606081592 Tokyo KYODO in English 0805 GMT
26 Jun 92*

[Text] Tokyo, June 26 KYODO—Prime Minister Kiichi Miyazawa will call on Russian President Boris Yeltsin in Munich early next month to prepare for the return of four disputed islands to Japan, government sources said Friday.

The sources said Yeltsin will arrive in Munich on July 8 for talks with leaders of the Group of Seven (G-7) major industrialized countries before leaving for Helsinki the same day.

They said it is still not clear whether Miyazawa will have a face-to-face session with Yeltsin, although Miyazawa's Chief Spokesman Koichi Kato said the two leaders have both expressed a desire to get together while in Munich.

Some "sherpas," or personal representatives of the G-7 leaders, have said aid to Russia and other member countries of the Commonwealth of Independent States (CIS) will top the agenda of the July 6-8 Munich Summit.

The United States, Japan, Germany, France, Italy, Britain and Canada have pledged a 24 billion dollar aid package for the former Soviet republics.

The G-7 countries are pressing Moscow to reform its economic structure and improve conditions for foreign investment. Russia is negotiating with the International Monetary Fund on economic reform in a bid to receive loans.

The G-7 leaders will discuss the creation of CIS country-by-country aid groups, a Japanese source said. He added, however, Japan is skeptical about a G-7 accord on the issue in Munich.

The Japanese sources said the G-7 is preparing to provide Russia and several other CIS nations with aid to ensure the safety of their decaying nuclear power plants.

Kato: G-7 Summit Not Ready for China, Russia

*OW2606102792 Tokyo KYODO in English 1015 GMT
26 Jun 92*

[Text] Tokyo, June 26 KYODO—Japan does not favor throwing open the doors of the annual economic summit of Group of Seven (G-7) leaders to China and Russia, the top government spokesman said Friday.

Chief Cabinet Secretary Koichi Kato told a news conference that the G-7 summit was launched in 1975 to discuss economic issues among advanced countries, and that there is currently no discussion about expanding it to a G-9 format.

Earlier in the day Democratic Socialist Party Chairman Keigo Ouchi asked Prime Minister Kiichi Miyazawa to consider forming a G-9 including Russia and China as a way to promote economic reforms in China.

The premier did not give a direct reply, Kato said.

Last year's guest invitation to then-Soviet President Mikhail Gorbachev to attend a post-summit session gave rise to discussion here about inviting Chinese leaders to attend in a similar capacity.

This year, Russian President Boris Yeltsin is slated to attend a special session after the July 6-8 Munich Summit among leaders of the United States, Germany, France, Britain, Italy, Canada and Japan.

Aides to Prime Minister Kiichi Miyazawa have commented that it is difficult to focus attention on Asian issues at the summit because Japan is the only representative from this region.

Bank To Extend PRC 700 Billion-Yen Credit

*OW2606124392 Tokyo KYODO in English 1233 GMT
26 Jun 92*

[Text] Tokyo, June 26 KYODO—The Export and Import Bank of Japan on Friday announced an agreement to extend credit of up to 700 billion yen to the Bank of China to help finance Chinese oil and coal resources development projects.

The announcement followed the signing earlier in the day of a memorandum by the heads of the two banks at the main office of the Ex-Im bank in Tokyo. The memorandum sets the principal terms governing the credit line.

The 15-year credit facility is the third in a series of Ex-Im Bank loans to the Chinese bank, which focuses on oil and coal development projects in China.

The first loan of up to 420 billion yen was given in May 1979, and the second of up to 580 billion in December 1984.

The new credit line has been given to help finance 27 projects, including 14 onshore and four offshore oil

development projects plus five coalfield development projects, covered by China's Eighth Five-Year Plan.

Indonesia's Alatas Views Permanent UNSC Seat
*OW2406052192 Tokyo KYODO in English 0453 GMT
24 Jun 92*

[Text] Tokyo, June 24 KYODO—Indonesian Foreign Minister Ali Alatas on Wednesday said Japan "has a good case" to become a permanent member of the United Nations Security Council (UNSC), but stopped short of enunciating Indonesia's official support.

"Personally, I believe Japan has quite a good case to be a permanent member," Alatas said in an interview just before leaving Tokyo, where he had attended an international aid conference on Cambodia.

"But apart from my personal view...This question of widening of the Security Council is a very complex one," he noted, likening it to the opening of a Pandora's box.

"It is involving the rewriting of the U.N. Charter and once you start tinkering with the composition of the permanent memberships, you cannot stop other people saying, 'then what about Germany, what about the Asian powers, the African powers, the Latin American powers, and why only Western powers?'" he said.

A restructuring of the Security Council and reform of the United Nations as a whole are expected to be major issues at next September's summit meeting in Jakarta of the 105-nation Non-Aligned Movement (NAM), of which Indonesia is currently the de facto chairman.

A meeting of NAM foreign ministers in Ghana last September called for expansion of the 15-member Security Council to give a more balanced representation reflecting the U.N.'s increased membership over the years.

Indonesia itself has called for the membership and composition of the body, as well as the privilege of veto power now held by the five permanent UNSC members, to be reconsidered in view of the changes in world political power.

Alatas added that his country desires to see a better-functioning Security Council with more transparency, and a better and more balanced relationship between the Security Council and the General Assembly. [Word indistinct] we must strengthen and democratize the U.N.," he said. "The U.N., which is the only universal body where everyone can be heard, must remain the centerpiece of a new world order, otherwise we cannot accept a new world order."

Some Japanese diplomats have said Japan wants to see a breakthrough in its quest for a permanent UNSC seat in 1995, when the U.N. celebrates the 50th anniversary of its founding.

Alatas, commenting on Japan's new legislation allowing the dispatch of Japanese troops overseas to participate in U.N. peacekeeping operations, said that as long as they are sent under the U.N. umbrella, "we have no objection whatsoever and we think it's a good thing."

\$75 Million Pledged to UN Efforts in Cambodia
*OW2606021292 Tokyo KYODO in English 0144 GMT
26 Jun 92*

[Text] Tokyo, June 26 (KYODO)—Japan will pay some 75 million dollars in dues toward the 600 million dollars required by the U.N. peacekeeping mission in Cambodia until the end of October, the government officially decided Friday.

Foreign Ministry officials said the decision was taken in a morning cabinet session.

The money, the equivalent of some 9.6 billion yen, represents Japan's assessed contribution toward the initial estimated cost of the Cambodian mission approved by a U.N. General Assembly Resolution May 22. Japan's rate of assessed contributions to the U.N. budget is 12.5 percent.

The new funds come on top of 25 million dollars or 3.2 billion yen in assessed dues paid by Japan last March toward a projected 200 million dollar start-up cost of the mission. Japan's total contribution comes to 100 million dollars.

On Monday, Japan pledged 150 to 200 million dollars toward rehabilitation efforts in Cambodia through 1993, the largest such commitment by any country.

Conditions for SDF Dispatch to Cambodia Viewed
*OW2606095592 Tokyo KYODO in English 0945 GMT
26 Jun 92*

[Text] Tokyo, June 26 KYODO—Prime Minister Kiichi Miyazawa indicated Friday that Japan will not send Self-Defense Forces (SDF) personnel to join the UN peacekeeping mission in Cambodia unless all four factions stick to their peace accord, a senior Japanese Communist Party (JCP) official said.

The official said Miyazawa made the remark in a meeting with JCP Central Committee Presidium Chairman Tetsuzo Fuwa in connection with the refusal by the Khmer Rouge faction to hand over its arms to the UN Transitional Authority in Cambodia (UNTAC).

"We will change our dealings with UNTAC if the Paris Peace Accord is broken" Miyazawa was quoted as saying.

But Chief Cabinet Secretary Koichi Kato later told reporters Miyazawa did not make such remarks to Fuwa.

The Khmer Rouge, the Vietnamese-backed Phnom Penh government, and two other factions agreed to disarm 70

percent of their forces in the process of restoring peace in Cambodia, when they held a conference in Paris last October.

Referring to a proposal by UN Secretary General Butrus Butrus-Ghali for UN emergency deployment forces, Miyazawa told Fuwa that Japan would not participate because of its war-renouncing Constitution, according to the JCP official.

Miyazawa reportedly said, "the setting up of the UN emergency deployment forces is unrealistic," adding he is very cautious of the move.

Butrus-Ghali has proposed UN emergency deployment forces be sent to war-torn countries without an agreement from all warring parties, an absolute precondition for UN peacekeeping operations.

Apart from his meeting with Fuwa, Miyazawa held talks with Social Democratic Party (SDP) Chairman Makoto Tanabe, Komeito Chairman Koshiro Ishida, and Democratic Socialist Party (DSP) Chairman Keigo Ouchi.

Miyazawa told Tanabe he will consider how and when Japan will commit itself to UNTAC after a government mission returns from Cambodia next month, according to an SDP official.

On the participation of SDF personnel, Miyazawa was quoted as saying, "we will form a clear view on whether we will send the troops to Cambodia."

The Japanese team, which comprises officials from the foreign, defense, international trade and industry, and home affairs ministries, will go to Cambodia early next month to investigate the limits of potential Japanese participation in UNTAC.

In his meeting with Ishida, Miyazawa said the government will announce details on UNTAC's operations from the team after it returns to Japan, according to a Komeito official.

On the defense budget, Miyazawa told Tanabe the government will revise the 1991-95 defense plan and the nation's basic defense policies before the end of the year to address post-cold war realities.

The results will be announced at the ordinary Diet session slated to open next January, the SDP official quoted Miyazawa as saying.

Japan earlier decided to reduce the 22.75 trillion yen five-year plan by 100 billion yen.

Miyazawa told Ishida that Japan is considering reducing new acquisitions of military armaments, a Komeito official said.

He also told the Komeito leader Japan must play a central role in assisting the former Soviet Union improve the safety of its nuclear power plants, and in providing goods such as pharmaceutical supplies and oil drilling equipment, the official said.

"Securing safety of nuclear power plants is urgent," Miyazawa was quoted as saying, estimating the international community will need to provide up to 600 million dollars for this purpose.

Such assistance will be provided in addition to Japan's portion of the 24 billion multilateral assistance plan being organized by the International Monetary Fund, he reportedly said.

Japan is willing to assist in management of radioactive by-products after nuclear weapons in the former Soviet Union are dismantled, Miyazawa told the DSP's Ouchi.

Party Leaders Discuss Political Situation, PKO

OW2406004092

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 21 June carries a one-hour recorded interview program entitled "Political Interview—The Deliberations of the PKO [peacekeeping operations] Bill and Tasks To Be Accomplished." The program is moderated by NHK commentator Takashi Yamamoto, who also serves as interviewer. Appearing separately on the interview program are Secretary General Tamisuke Watanuki of the ruling Liberal Democratic Party (LDP), Secretary General Sadao Yamahana of the main opposition Social Democratic Party of Japan (SDPJ), Secretary General Yuichi Ichikawa of the opposition Komeito, Secretariat Chief Kazuo Shii of the opposition Japan Communist Party (JCP), and Secretary General Takashi Yonezawa of the opposition Democratic Socialist Party (DSP). Each individual interview is conducted in an unidentified office; the dates of the interviews are not given.

Yamamoto, shown standing in front of the Diet building, briefly explains the recent stormy deliberations on the UN PKO Cooperation Bill at the Diet. At 0002 GMT, he begins an interview with the LDP's Watanuki.

In the interview, Watanuki says that the "PKO bill recently enacted at the Diet will remain in history," paving the way for Japan to make aggressive international contributions toward maintaining world peace. He adds: "I believe that the enactment of the bill will be highly rated at home and abroad." Asked by Yamamoto about public concerns regarding the overseas dispatch of Japanese troops, Watanuki asserts that the "PKO bill is aimed at laying the groundwork for Japan to make positive contributions toward maintaining world peace" and vehemently denies allegations that the "bill is aimed at dispatching the Self-Defense Forces [SDF] to foreign nations to fight wars." He adds that the "bill carries five principles to prevent the SDF from participating in any war."

Asked by Yamamoto when a freeze on the SDF's participation in the UN Peacekeeping Force (PKF) will be lifted, Watanuki says that the "freeze will be lifted, in a manner that will not cause any concerns to the people,

after assessing the achievements of the SDF's participation in the transportation, medical, and other areas of the PKO." He adds that the government is about to take actions to dispatch the SDF to Cambodia and will be contacting the United Nations and the UNTAC [UN Transitional Authority in Cambodia].

Asked about Asian nations' concerns over the overseas dispatch of the SDF, Watanuki says: "I believe that Japan has won their general understanding of the overseas dispatch of the SDF. In particular, CPC General Secretary Jiang Zemin said various things in connection with the overseas dispatch of the SDF when he recently visited Japan. China itself participates in the PKO. I think that the Asian nations have an understanding of the overseas dispatch of the SDF and there will be no problems with the dispatch of the SDF to foreign nations." Watanuki also stresses the need for the government to launch a publicity campaign to win public understanding.

After discussing the parliamentary deliberations of the PKO bill, Yamamoto asks Watanuki how general resignations tendered by the SDPJ lawmakers will be handled. Answering the question, Watanuki calls the general resignations "a means to resist" the passage of the PKO bill at the Diet and asks: "What will happen in the future if their general resignations are accepted?" Watanuki also says that the "general resignations are a major challenge to the parliamentary democracy." Asked about how the question of the general resignations tendered by the SDPJ lawmakers should be settled, Watanuki says that the "speaker of the House of Representatives will negotiate with the SDPJ because the Diet session has closed."

After discussing political reform, Yamamoto ends the 14-minute interview with Watanuki at 0016 GMT.

At 0016 GMT, Yamamoto begins an interview with the SDPJ's Yamahana. Yamahana says that "in the recent Diet session, the LDP, Komeito, and the DSP completely destroyed the parliamentary democracy," adding that his party employed various tactics to block the passage of the PKO bill. Asked by Yamamoto if some SDPJ lawmakers demanded a cautious handling of the general resignations, Yamahana says that "all House of Representatives members affiliated with the SDPJ agreed to tender their resignations, and there was a consensus among them on it." Claiming that the time for the deliberations of the PKO bill was inadequate, Yamahana says that the "ox-walk tactic employed by my party was a means to resist the passage of the bill and appeal to the public."

Asked how he feels about the enactment of the PKO bill at the Diet, Yamahana says: "As a main opposition party, the SDPJ feels keenly the responsibility for the enactment of the bill, which is unconstitutional. The PKO bill is an issue that concerns Japan's participation in the international community. I feel keenly that our party should apologize to the people for allowing the bill

to be enacted at the Diet. Though the bill was enacted, the SDF has not yet been sent abroad and fresh issues will arise in connection with the overseas dispatch of the SDF."

Asked by Yamamoto about what sort of assistance Japan should provide to Cambodia, Yamahana says: "Looking at the present situation of Cambodia, various difficult problems are arising from disarming the Pol Pot faction, and this is raising doubts about the observance of the peace accord. If Japan intends to provide assistance to that country in the nonmilitary and civilian area—as our party, the SDPJ, has advocated—Japan's assistance to that country would be carried out smoothly. I would like to stress anew this point."

After discussing political reform, Yamamoto ends the 13-minute interview with Yamahana at 0029 GMT.

At 0029 GMT, Yamamoto begins an interview with Komeito's Ichikawa. Asked by Yamamoto if the people fully understand the overseas dispatch of the SDF, Ichikawa says: "I believe the people fully understand the need to dispatch the SDF abroad since long-time debates were held on it."

Asked by Yamamoto when the freeze on the SDF's participation in the PKF will be lifted, Ichikawa says: "I think that the freeze should be lifted after carefully observing the public's understanding and the Asian nations' understanding of the SDF's participation the PKF."

Asked by Yamamoto how the Diet should be steered, Ichikawa says: The "SDPJ employed the ox-walk tactics and tendered the general resignations because its policy was not accepted. I think that following a decision by majority is the basis for parliamentary democracy. I also think that actions taken by the Social Democrats are very regrettable." Ichikawa also criticizes the SDPJ for ignoring parliamentary rules.

Asked by Yamamoto how the general resignations tendered by the SDPJ parliamentarians should be handled, Ichikawa says: "There is no reason for them to resign en masse, and I think that their general resignations are very abnormal actions. It is quite ridiculous for them to resign from the Diet because their policy is incompatible with other parties' policy. I think that it would be proper for the speaker of the House of Representatives to return their general resignations."

After discussing political reform, Yamamoto ends the 10-minute interview with Ichikawa at 0039 GMT.

At 0039 GMT, Yamamoto begins an interview with the JCP's Shii. Asked by Yamamoto about the enactment of the PKO bill at the Diet, Shii says that the "railroading of the bill by the LDP, Komeito, and the DSP was a historic mistake. The overseas dispatch of the SDF is not permissible under the principles of the pacifist Constitution. The way the three parties passed the bill trampled the parliamentary democracy." Citing continued

fighting between the government forces and the Pol Pot faction in Cambodia, Shii says that the "SDF might be drawn into the fighting."

Asked about Japan's assistance to Cambodia, Shii says that the "Pol Pot faction responsible for the massacre should not be allowed to share power in Cambodia," stressing that Japan should provide assistance to Cambodia in the civilian area.

Asked how Japan should make contributions to the international community, Shii says that "Japan should make contributions to the international community in line with the principles of the Constitution."

Asked how the general resignation tendered by the SDPJ lawmakers should be handled, Shii says that "we will oppose the general resignations if the plenary session of the next Diet session takes them up, because their general resignations are incompatible with parliamentary democracy." Yamamoto ends the 10-minute interview with Shii at 0049 GMT.

At 0049 GMT, Yamamoto begins an interview with the DSP's Yonezawa. Asked to comment on the enactment of the PKO bill, Yonezawa calls the "enactment of the PKO bill historic" and says that the bill will lay the groundwork for Japan to make contributions to the international community.

Asked about the freeze on the SDF's participation in the PKF, Yonezawa says that the "freeze will be lifted by the Diet."

Asked about how the Diet should be steered, Yonezawa says that the "ox-walk tactics employed by the SDPJ and the general resignations tendered by the SDPJ parliamentarians are very regrettable"; he refutes the SDPJ's assertion that the deliberations on the PKO bill were inadequate. Yamamoto ends the 10-minute interview with Yonezawa at 0059 GMT.

Yamamoto ends the interview program at 0100 GMT.

Tanabe: SDP Aims To Win Upper House Majority

OW2506095592 Tokyo KYODO in English 0941 GMT 25 Jun 92

[Text] Tokyo, June 25 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe said Thursday his party will make every effort to win a majority of seats in the July 26 House of Councillors election.

Tanabe, speaking at the Japan National Press Club, said Japan's largest opposition party must diminish the power of the ruling Liberal Democratic Party (LDP) in the 252-seat upper house.

Apparently referring to this month's passage of a UN peacekeeping cooperation bill by the Diet, Tanabe said, "we must create (political) circumstances where the LDP cannot do a bad thing by collaborating with smaller opposition parties."

The LDP and two centrist opposition parties cooperated to pass the bill—which allows Japanese troops to join UN peacekeeping operations abroad—in the opposition-controlled upper chamber June 5, despite opposition from the SDP and others.

The endorsement eventually led to the bill's passage June 15 in the LDP-controlled House of Representatives.

The upper house comprises 113 LDP members, 71 SDP members, and 68 members of other opposition parties.

Tanabe called on Prime Minister Kiichi Miyazawa to dissolve the lower house to seek voter judgment on the peacekeeping legislation.

The lower house members of the SDP submitted resignations en masse last week to demand a general election over the legislation.

On the SDP's policies for the upper house election campaign, Tanabe said, "we will raise disarmament, environment, and human rights issues, as well as political reform and welfare for the elderly."

Tanabe, regarded as a pragmatist, said the SDP will "positively" deal with a proposal by Miyazawa on political reform.

Miyazawa has proposed a readjustment of electorates in order to even up disparities between urban and rural constituencies.

Tanabe will start the SDP campaign in Sapporo on July 8 when the upper house election is to be publicly proclaimed.

The SDP plans to field about 70 candidates in the race, in which 126 seats, or half the chamber, will be contested.

Tanabe also proposed enacting a new law to clarify the interpretation of Article 9 of the Japanese Constitution, which renounces the use of force to settle international disputes.

He said "the security basic law" should stipulate ways to send Japan's Self-Defense Forces personnel abroad to jointly work with UN peacekeepers, as well as the form and limitation of self-defense capability on which opinions are still split within the SDP.

Tanabe's proposal is thought to suggest the SDP's readiness to grope for a national consensus on the two thorny issues the party has been viewing as unconstitutional—the dispatch of troops overseas and the possession of self-defense capability, political observers said.

MITI Urges 'Drastic Pump-Priming Measures'

OW2606034092 Tokyo KYODO in English 0326 GMT 26 Jun 92

[Text] Tokyo, June 26 (KYODO)—International Trade and Industry Minister [MITI] Kozo Watanabe urged the

government Friday to take further drastic pump-priming measures to prop up the sluggish economy.

Watanabe told a news conference after a regular cabinet meeting it will be impossible to attain 3.5 percent growth in gross national product projected by the government for fiscal 1992, ending next March 31, "unless we take radical economic measures."

Amid growing expectations regarding Japan's role in contributing to the global economy, Japan should set forward its own policies at the Munich Summit of seven major industrial nations in July before being pressured, Watanabe said.

To this end, Watanabe said he called in the cabinet meeting for the understanding and cooperation of other ministries, especially the Finance Ministry, for further economic measures along with a supplementary budget.

He quoted Finance Minister Tsutomu Hata as telling the cabinet his ministry will cooperate as much as possible, despite budgetary constraints, to achieve the projected 3.5 percent economic growth target.

Freeze on Price Tokyo To Pay for Rice Approved

OW2606021792 Tokyo KYODO in English 0142 GMT
26 Jun 92

[Text] Tokyo, June 26 (KYODO)—The government formally approved Friday a proposed freeze on the rice price the government will pay to farmers for their harvests this year.

The proposal, approved at the day's cabinet meeting, will keep the rice price unchanged for another year at 16,392 yen per a 60 kilogram sack.

The freeze, coming after two consecutive years of reductions, is seen as a victory for those members of the ruling Liberal Democratic Party (LDP) who opposed any cut in the rice price with an election coming up for the House of Councillors in July, when farm votes will be vital.

The government, the Finance Ministry in particular, wanted to push down the price to trim government subsidies to rice and bring domestic rice prices more in line with international standards.

The government regulates and subsidizes the domestic rice market, buying much of the rice crop and reselling it to consumers at lower prices.

After the LDP and the government agreed on the freeze proposal Thursday, it was sent to the Rice Price Council, an advisory panel to the agriculture, forestry, and fisheries minister, which gave it the go-ahead later in the day.

EPA Says Economy Still in 'Adjustment Process'

OW2606030592 Tokyo KYODO in English 0058 GMT
26 Jun 92

[Text] Tokyo, June 26 (KYODO)—Japan's economy is still slowing down and is in "an adjustment process," the Economic Planning Agency (EPA) reported Friday.

In a monthly economic report for June submitted the same day to a cabinet meeting, the EPA said the national economic slowdown is continuing, while growth in consumer spending is decelerating although the undertone of such spending stays firm.

An EPA official said sales in department stores in Tokyo and Osaka fell 3.1 percent and 3.4 percent, respectively, in May from a year earlier, indicating that consumers are favoring inexpensive products over luxury items.

Travelers are spending less on services by taking shorter vacations, even during the Golden Week holidays, he added.

Plant and equipment investment by major companies in the manufacturing sector dropped 7.7 percent during the January-March period from a year earlier.

Capital spending by those in the nonmanufacturing sector, however, advanced 2.4 percent.

Overall capital spending by smaller firms jumped 9.3 percent after a continued decline from July to December in 1991, he said.

The report also said housing starts have begun to show a slight recovery. Construction started on 117,000 housing units in April, up 1.7 percent from March and up 0.4 percent from a year earlier.

Despite such favorable figures, corporate earnings have continued to drop and many firms believe the national economy is slowing, as the Bank of Japan's quarterly survey of business sentiment known as "Tankan" indicated recently, the EPA report said.

Industrial output is slumping as inventory reduction is taking longer than expected, it noted.

Labor conditions also remain tight, despite some ease in the shortage, the report said.

The EPA report also noted the current account surplus continued to expand in May, although both imports and exports decreased in the month after rising in the previous month. Customs-cleared imports declined 12.2 percent in quantitative terms from a year earlier and exports sagged 3.6 percent.

The EPA official said, "It is hard to believe such a sharp drop in imports will continue. Inventories of imported food seem to have remained unadjusted in May."

As for prices, the EPA report said wholesale prices are softening due to easier supply and demand while consumer prices are stable.

OECD Prediction of Rise in Economy Reported*OW2606004892 Tokyo KYODO in English 2303 GMT
25 Jun 92*

[Text] Tokyo, June 26 (KYODO)—The Organization for Economic Cooperation and Development (OECD) said Friday the economies of its member countries will grow an inflation-adjusted 1.8 percent in 1992, slower than earlier projections.

The OECD said the downward revision is mainly influenced by the sluggish Japanese economy triggered by the end of a long boom of private fixed investment and the decline of German domestic demand due to high interest rates to tackle inflationary pressures.

It projected in December that the economies of the 24 major industrialized nations will advance 2.2 percent this year and 3.3 percent in 1993. The 1993 figure was revised downward to 3.0 percent.

The Paris-based organization said that although the slow recovery of the U.S. economy has been expected to some extent, the unanticipated Japanese and German factors are making economic pickup in the OECD slower than generally perceived.

Its projections were released simultaneously in its member countries, including Japan, where an economic planning agency official told reporters the issue of stimulating the global economy will be discussed at the July 6-8 Munich Summit of the Group of Seven economic powers.

The OECD said cyclical recovery of the economic activities of its member states as a whole is taking shape, supported by sustained disinflation and interest-rate reductions, but structural measures, including budget consolidation, are necessary in the longer term.

It projected OECD inflation in 1992 at 3.5 percent, down from 3.7 percent forecast in December, and at 3.2 percent in 1993.

Business and households remain cautious in many countries but current patterns of external balances and exchange rates for major countries are "not matters of serious concern," it said.

However, the OECD warned an "excessively large" Japanese current account surplus could ignite protectionist pressures, hampering free trade.

The OECD member countries' combined current account deficit is seen to shrink to 27 billion dollars this year, down from the 48 billion dollars predicted in December. A deficit of 33 billion dollars is forecast for 1993.

On monetary policy, the OECD noted North American countries should maintain their current stance so as not

to hinder recovery, while Japan should keep its medium-term orientation toward price stability as asset markets adjust. Germany must continue to bear down on inflation, it said.

The organization said a further widening of budget deficit is likely in most countries this year. It added global capital shortage is not critical at the moment but the enhancement of savings could become a pressing issue once consumption begins to pick up again.

It also said Japan may appear to have scope for easing fiscal policy but that will be limited because of its rapidly aging population, and restoring spending discipline in a timely manner will be politically difficult.

"The immediate priority has to be to bring the Uruguay Round (of global trade talks) to an early and successful conclusion," the OECD said, where only a few member nations have clearly moved toward trade liberalization.

Trade discrimination has continued to grow as recourse to voluntary export restraints has persisted and administrative measures such as antidumping ones have sharply increased, it reported.

On protecting the global environment, the OECD said economic instruments such as charges, taxes, and tradable permits are preferable to direct government regulation for achieving objectives at lower costs. "These instruments still play too limited a role," it said.

Meanwhile, it called for high priority on permanently reducing unemployment as structural joblessness seems to have been rising in the past two decades, particularly in the European Community.

The OECD unemployment figure was revised upward from December's 7.4 percent to 7.5 percent for this year and 7.3 percent for 1993.

The organization also called for member nations to support reforms in Eastern Europe, where a key aspect of support will be to ensure countries of the region have "better effective access" to OECD markets.

Panel Urges Creation of Better Living Conditions*OW2506081692 Tokyo KYODO in English 0657 GMT
25 Jun 92*

[Text] Tokyo, June 25 KYODO—A blue-ribbon government advisory body, in a report submitted to Prime Minister Kiichi Miyazawa on Thursday, called for the creation of better living conditions, including fewer working hours and more lower-priced houses, under a new five-year economic plan.

In the report on the fiscal 1992-1996 plan, the Economic Council, an advisory panel for the prime minister, said the government should promote efforts to hold down the average domestic working hours to 1,800 hours per year, and enable workers to buy houses near large cities at prices around five times their annual income.

The panel is headed by Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren).

It also called for reorganizing the domestic social infrastructure, and for a more harmonious and beneficial coexistence with the world community.

The report is expected to be approved by the cabinet on June 30.

An Economic Planning Agency official told the press that the object of the new economic plan is to create a nation that treasures living conditions and not just productivity. Japan is currently "wealthy, but not affluent," he said.

As for public investment, the report called for raising the share of investments for improving living conditions to 60 percent of total public works spending in the 10-year period ending in fiscal 2000. The share stood at around 50 percent between fiscal 1981 and 1990.

The report listed 27 specific social infrastructures that must be improved.

The council said that Japan will aim at an average annual Gross National Product (GNP) growth of 3.5 percent during the fiscal 1992-1996 period.

Domestic demand is envisaged to grow 3.75 percent a year, while foreign demand will record a minus growth of 0.25 percent, indicating that Japan's economic growth during the period will largely rely on domestic demand.

In order to contribute to protection of the global environment, the council proposed to beef up official development assistance (ODA) aimed at such protection to 900-1,000 billion yen during 1992-96. This is in line with a Japanese proposal made at the earth summit in Brazil earlier this month.

It also noted the necessity of organizing financial resources so as to deal with global environmental issues and assistance to the former Soviet republics and Eastern Europe.

On the labor front, the council suggested creating an environment in which workers can continue to be employed until the age of 65, even if they have formally retired at 60.

The council proposed that Japan accept as many foreign workers with special skills as possible, but it remained cautious on the issue of manual workers, which it said could have a significant impact on Japanese society as well as its economy.

North Korea

Spokesman Urges U.S. To Allow Bases Inspection

SK2506234492 Pyongyang Korean Central
Broadcasting Network in Korean 2210 GMT 25 Jun 92

[Statement by DPRK Foreign Ministry spokesman on 26 June—read by announcer]

[Text] The DPRK Government has been making every effort to completely withdraw U.S. nuclear weapons from South Korea and to denuclearize the Korean peninsula. The International Atomic Energy Agency's [IAEA] ad hoc inspection of our country took place a while ago, with our DPRK Government's sincere cooperation. The results of the inspection were officially reported to the IAEA June Board of Governors meeting. The IAEA inspection again clearly confirmed the integrity of the nuclear policy of our DPRK Government, which uses nuclear energy only for peaceful purposes, and our consistent position to denuclearize the Korean peninsula.

At the IAEA June Board of Governors meeting, all the countries welcomed the fact that our country is sincerely fulfilling its duty under the Nuclear Nonproliferation Treaty, and, as a result, international trust for our peaceful plan on nuclear energy has been further enhanced.

As it promised in international society, our DPRK Government has done all that it should by taking active and progressive measures to receive the inspection under the Nuclear Safeguards Accord. We will also sincerely accept IAEA inspections in the future. We will prove the sincerity of our peaceful nuclear policy anytime through the agency if anyone else doubts whether we have any undisclosed nuclear facilities.

The nuclear issue on the Korean peninsula was first raised when the United States illegally introduced and deployed nuclear weapons in South Korea and threatened our people, and the inspection of the U.S. nuclear weapons and nuclear bases is a foremost issue in denuclearizing the Korean peninsula.

The DPRK Government has consistently demanded that if nuclear inspection is to take place fairly, we should inspect the U.S. nuclear weapons and nuclear bases in South Korea when we are inspected by the IAEA. Because the U.S. Administration promised last year that it would withdraw its tactical nuclear weapons and because the South Korean authorities released a declaration that there are no nuclear weapons, on the assumption that we would inspect the U.S. nuclear weapons and nuclear bases in South Korea, we signed the Nuclear Safeguards Accord and showed good faith by first accepting the IAEA inspection. Even today, however, when our country has been fulfilling its international duty under the Nuclear Safeguards Accord, the inspection of U.S. nuclear weapons and nuclear bases has not

been conducted, and, as a result, our people's worry over threats from the U.S. nuclear weapons has not been removed.

Since our country has accepted the IAEA's inspection and under the principle of fairness, the United States also must, as a matter of course, allow the inspection of its nuclear weapons and nuclear bases in South Korea.

Fundamentally removing our nation's worry over nuclear threats by inspecting the U.S. nuclear weapons and nuclear bases in South Korea is basic to implementing the Joint Declaration on the Denuclearization of the Korean Peninsula. The nuclear threats in our country were created by the U.S. nuclear weapons in South Korea. Therefore, the full inspection of the U.S. nuclear weapons and nuclear bases must be conducted through North-South inspection to verify denuclearization.

Our DPRK Government proposed that the joint denuclearization declaration be adopted and has been sincerely receiving the IAEA's inspection. This is intended to denuclearize the Korean peninsula at the earliest possible date.

A basic obstacle to denuclearizing the Korean peninsula is the fact that, instead of accepting the full inspection of the U.S. nuclear weapons and nuclear bases, the South Korean authorities have insisted on inspection of an equal numbers of sites, inspection of military bases, and special inspection [tukpyolsachal] based on the so-called principle of reciprocity, which is in violation of the North-South agreements and in reality inappropriate on the Korean peninsula. The so-called inspection of military bases, about which the South Korean authorities have been babbling, is an issue that must be discussed when the North-South Joint Military Committee discusses the arms reduction issue in the future and cannot be discussed within the boundary of the Joint Declaration on the Denuclearization of the Korean Peninsula.

As the North and South have already agreed, the South Korean authorities must immediately present a draft agreement on implementing the joint denuclearization declaration and must accept the adoption of rules for North-South inspection to ensure that the full inspection of the U.S. nuclear weapons and nuclear bases is conducted.

We will, also in the future, make every effort to adopt documents necessary for verifying the denuclearization of the Korean peninsula at the North-South Joint Nuclear Control Committee and to conduct North-South inspection.

26 June 1992

Pyongyang.

Bush Criticized for Running for Second Term

SK2506133192 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 24 Jun 92

[Text] It was reported from Washington that President Bush appealed to U.S. voters to allow him to serve another four years in order to solve major problems at home and abroad. His appeal was made in a speech at the Republican Party convention in Dallas, Texas on 20 June.

He talked nonsense by saying that a president cannot fulfill his duty just because he has quick answers and speaks eloquently and that a president has to be natural and so on. He continued to talk nonsense by saying that he is the right person to fulfill the duties of president since he has been tested.

Americans are sneering at Bush's self-admiration, because during his term he deceived the voters. He did not solve any domestic social and economic problems; he just made trips abroad.

One of Bush's 1988 election promises was that he would by no means raise taxes. As soon as he came to power, however, he threw away his promise like an old shoe and raised taxes. The people's pockets were emptied while considerably filling the moneybag of the monopolistic munitions enterprises.

He also promised to improve the economic situation so that the people's living standard could be raised. Instead, he drove the U.S. economy into the longest recession since World War II; he deprived 2.2 million laborers and civil servants of their jobs.

The recession continued during the three years Bush was in power. The average yearly federal budget deficit amounted to \$346 billion. The gulf between the rich and poor increased; thus, 13.5 percent of the population are living in poverty.

After he became president, Bush claimed to be an education president and set forth main policies to raise U.S. education to international standards. None of his goals were achieved, however, and illiteracy is increasing.

The rate of support for Bush has dropped considerably. The situation is so critical that if presidential elections were held right now, he would be defeated. To free himself from this dilemma, Bush is speaking new honeyed words while bustling about the country, but no one will be persuaded by his words again.

Bush must recognize his position clearly. Rather than begging the voters to vote for him so that he can be reelected, it would be good for him to withdraw before the elections.

Reaction to Overseas Deployment of Japanese Troops

Japanese 'Outburst' Denounced

SK2506050592 *Pyongyang KCNA in English*
0429 GMT 25 Jun 92

[*"Attempt To Dispatch 'SDF' to Korea"—KCNA headline*]

[Text] *Pyongyang June 25 (KCNA)*—Japanese Ambassador to Thailand Okazaki prattled that if a war breaks out on the Korean peninsula, a dispatch of the Japanese Army at the "request of the South Korean authorities should be seriously examined and Japan, in such a case, should decide it for the sake of future, reported the South Korean paper CHOSON ILBO on June 21.

His outburst shows that the Japanese reactionaries are going to follow in the wake of the Japanese militarists' aggression in the past, seeking a chance for reinvansion of Korea, far from making apology and compensation.

Never should it go unnoticed that this was openly mouthed by a Japanese official holding the position of an ambassador overseas right after a "bill" legalizing the dispatch overseas of the "Self-Defence Forces [SDF]" was passed at the Diet. It is a reflection of the Japanese reactionaries' ambition for aggression.

The Korean people, who underwent sufferings during the 41-year long colonial rule of the Japanese imperialists, are now more strongly denouncing than ever before the Japanese imperialists' criminal history of aggression together with the world's people and demanding them to make a clear apology for their past crimes and thorough compensation.

The assertion that if a war breaks out in Korea the dispatch of Japan "SDF" to Korea according to somebody's "request" should be examined is a revelation of the Japanese reactionaries' blackhearted design to take a road of reinvansion of Korea with the backing of pro-Japanese stooges in the same way as "Ulsa treaty" was fabricated.

Deployment Called 'Very Dangerous'

SK2606065892 *Pyongyang Korean Central*
Broadcasting Network in Korean 1150 GMT 24 Jun 92

[Commentary by station commentator Chong Pong-kil:
"Very Dangerous Attempt"]

[Text] Some Japanese circles recently and openly expressed their absurd intention of repeating Japan's past history of crime. Hisahiko Okazaki, Japanese ambassador to Thailand, said that Japan's Self-Defense Forces [SDF] must be beefed up to maintain a balance in response to someone else's military threats. During the interview in Bangkok, he added that if war breaks out on the Korean peninsula, the Japanese forces' deployment must be seriously examined. This statement shows

Japan's ambition to invade the northern half of the Republic again. This is a very ominous and absurd comment.

Moreover, Hisahiko Okazaki, as Japan's foreign policy strategist, directly engages in formulating Japan's policies. His absurd comment cannot be overlooked from this perspective.

One of Japan's foreign policy strategists made such absurd remarks. In this way, he virtually repeated the Japanese reactionary ruling circles' position. His comment is no coincidence. At dawn on 9 June, Japan's House of Councillors passed what is called the UN peacekeeping operations bill despite strong opposition by the Japan Social-Democratic Party and other opposition parties and democratic forces. The House of Representatives approved this bill on 15 June. The Japanese cabinet promulgated the UN peacekeeping operations bill on 19 June.

A spokesman for Japan's Defense Agency said that as soon as this bill was promulgated, approximately 700 Japanese Self-Defense Forces troops have assumed a posture of standing by and that six C-130 transport planes, two transport ships, and one supply ship have been selected for dispatch overseas.

The dispatch of Self-Defense Forces [SDF] troops overseas was legalized since the Japanese Diet approved the peacekeeping operations bill and since the cabinet promulgated it. This has paved the way for deploying SDF troops overseas for the first time since World War II in violation of Japan's current Constitution, which bans the overseas deployment of SDF overseas. In this way, the Japanese militarist forces have paved the way for accelerating, in earnest, military expansion and their efforts to turn the country into a great military power.

At such a time, the Japanese ambassador to Thailand babbled that the Japanese army would be deployed if war breaks out on the Korean peninsula. He represented the policy of aggression espoused by the Japanese reactionaries, who are rushing toward militarism, and of the descendants of the Japanese Imperial Army troops, who are trying to repeat those troops' bloody crime. Moreover, the babbling by the Japanese ambassador to Thailand shows that the Japanese reactionaries are trying to pave the way for again starting expansion on the Korean peninsula. The Japanese reactionaries have not abandoned their ambition to invade the Korean peninsula and have viciously maneuvered to invade South Korea in political, economic, military, and other fields.

Then, they legalized sending the SDF overseas under the pretexts of peace and international contribution. This has virtually paved the way for sending SDF troops to the Korean peninsula. Because of this ambition for aggression, the Japanese reactionary ruling circles have been accelerating the arming of Japan with nuclear weapons and increased Japan's military expenditures by four percent. Reality shows that the Japanese reactionary ruling circles are extending their tentacles of

re-expansion to the Korean peninsula and that like the Imperial Army—called the incarnation of aggression, conquest, destruction, and manslaughter—the Japanese SDF is trying to embark upon the road toward aggression and war.

The Japanese reactionary ruling circles are trying to fulfill their old dream of establishing a Greater East Asia Co-Prosperity Sphere on the road of aggression and war without learning a lesson from their past crushing defeat. They are like a man who pricks his own eyes with his own hands.

In compliance with the demand of the era when the issue of normalizing diplomatic relations between the DPRK and Japan has been raised, the Japanese authorities must have a sense of responsibility for the fact that some circles are making absurd remarks that incite us and must take appropriate measures in that regard.

Today's Korean people and Asian people are different from those of the past. Our people, along with the Asian people, will watch Japan's future action and will in no way tolerate a repeat of the history of crime. The Japanese authorities, directly seeing the lesson of history and the trend of the times, must abandon their militarist ambition for aggression and immediately stop maneuvering to send the SDF overseas.

Japan Urged To Take 'Road of Peace'

*SK2506102892 Pyongyang KCNA in English
1001 GMT 25 Jun 92*

["NODONG SINMUN on Arms Buildup Hastened by Japan"—KCNA headline]

[Text] Pyongyang June 25 (KCNA)—NODONG SINMUN today runs a by-lined article on the promulgation of the "U.N. Peacekeeping Cooperation Bill" and acceleration of arms buildup in Japan.

Recalling that arms buildup in Japan has been promoted according to the demand of overseas expansion policy from the outset, the article says:

From the 1980s the Japanese ruling quarters have pushed to the fore the development of strategic weapons, targeting the domestic production of arms at increasing the attack capacity so that they may carry out a war single-handed to meet the demand of attack strategy.

Japan is getting overheated in the development of advanced military technology. This is aimed at increasing the preemptive strike capacity and the attack capabilities as a whole.

The Japanese Defence Agency has chosen to reinforce the ground force together with the naval and air forces in recent years.

It is jointly developing with the United States the FSX support fighter plane modeled after the F-16 fighter-bomber by squandering a colossal 165 billion yen and

intend to deploy far more than one hundred of them at the air "Self-Defence Force" [SDF] according to this plan. [sentence as received]

And it is scheming to arm the "SDF" with the Aegis system, the latest-type missile system for catching and attacking several targets simultaneously, the over-the-horizon (OTH) radar with a range of 3,000 kilometres and other equipment of advanced military technology.

Japan's reckless arms buildup to repeat her past history of bloody aggression gives rise to natural caution among the Korean and other Asian peoples.

The Japanese authorities must take a road of peace, not forgetting the lesson of history.

Japan's Kanemaru Meets NODONG SINMUN Group

*SK2606113792 Pyongyang KCNA in English
1020 GMT 26 Jun 92*

[Text] Tokyo June 25 (KNS-KCNA)—Shin Kanemaru, deputy president of the Liberal Democratic Party of Japan, said he would work for the normalisation of Japan-DPRK diplomatic relations in the future, too, when he met with a delegation of NODONG SINMUN led by Editor-in-chief Hyon Chun-kuk in Tokyo on June 25.

Yon Hyong-muk Sends Message to PRC's Li Peng

*SK2506091592 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 23 Jun 92*

[Text] Comrade Yon Hyong-muk, premier of the Administration Council, sent a condolence message to Comrade Li Peng, premier of the PRC State Council.

Yon Hyong-muk said he heard the sad news that Comrade Li Xiannian, president of the National Committee of the Chinese People's Political Consultative Council, had passed away after an illness, and he expresses his deep sorrow to the fraternal Chinese people and the bereaved family.

The condolence message said that while Comrade Li Xiannian, a long time proletarian revolutionary, fulfilled important duties for the party and the state, he also struggled with devotion for the Chinese people's revolution and to construct a new China and made great contributions to strengthening and developing the traditional friendship between Korea and China. It pointed out that even though he has passed away, his achievements will remain forever.

Kim Yong-sun Meets U.S. Research Center Director

*SK2506152192 Pyongyang KCNA in English
1508 GMT 25 Jun 92*

[Text] Pyongyang June 25 (KCNA)—Secretary Kim Yong-sun of the Central Committee of the Workers' Party of Korea today met and had a talk with Vice-director William Taylor of the U.S. Center for Strategic and International Studies and his party.

Kim Il-song Answer on U.S. Relations Published

SK2506104292 Pyongyang KCNA in English
1009 GMT 25 Jun 92

["President Kim Il-song's Work Published in Foreign Languages"—KCNA headline]

[Text] Pyongyang June 25 (KCNA)—The great leader President Kim Il-song's answers to questions raised by a journalist delegation of WASHINGTON TIMES of the United States on April 12 was recently published in different languages by the Foreign Languages Publishing House.

In his answer to the question about the improvement of relations between the DPRK and the United States, President Kim Il-song said the abnormal relations between the two countries that have continued until now can be considered to have something to do with the Cold War between East and West.

If the statesmen who are responsible for the destiny of the United States amend their Korea policy farsightedly and in accordance with the trend of the present times towards independence, a smooth solution will be found to the question of improving Korea-U.S. relations, he said.

Turning to the problem of the remains of American war dead, he said: The government of our republic has continued trying to discover the remains from the humanitarian stand after finishing the returning of the remains conducted in compliance with the armistice agreement between the DPRK and the U.S. and in recent years has returned several remains to the U.S. as the DPRK-U.S. relations are improved, the matter of returning the remains will be settled more satisfactorily.

With regard to the possibility of establishing a U.S. Embassy in Pyongyang, he said this is a question which will be decided depending on how Korea-U.S. relations will be improved in the future.

He also gave answers to some questions about the prospects of the DPRK's economic opening, foreign investment, foreign trade, the prospects of the North-South dialogue, the prospects and possibility of the reunification of Korea, the character and specific features of Korean-style socialism, etc.

Kim Tal-hyon, Delegation Return From Libya

SK2506044892 Pyongyang KCNA in English
0412 GMT 25 Jun 92

[Text] Pyongyang June 25 (KCNA)—Kim Tal-hyon, vice-premier and chairman of the external economy commission, and his party returned home from Libya Wednesday.

They were met at the airport by Chong Song-nam, minister of external economic affairs, and Ahmad Abdul Ssalam al-Ashhab [name as received], acting secretary of

the People's Committee of the People's Bureau of the Great Socialist People's Libyan Arab Jamahiriya in Pyongyang.

Swedish Labor Party Chairman Arrives 26 Jun

SK2606113392 Pyongyang KCNA in English
1022 GMT 26 Jun 92

[Text] Pyongyang June 26 (KCNA)—Chairman Rolf Hagel of the Labour Party-Communists of Sweden and his party arrived here today.

They were met at the airport by Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea.

Danish Workers Party Delegation Arrives

SK2606113592 Pyongyang KCNA in English
1023 GMT 26 Jun 92

[Text] Pyongyang June 26 (KCNA)—A delegation of the Danish Workers' Party, Common Cause headed by Ib Jacobsen, member of the Executive Committee and secretary of the party, arrived here today.

It was met at the airport by Kim Hyong-u, vice-director of a department of the Central Committee of the Workers' Party of Korea.

Group Says Pannational Rally Set for 15 Aug

SK2606044892 Pyongyang KCNA in English
0424 GMT 26 Jun 92

[Text] Pyongyang June 26 (KCNA)—The preparatory committee for the formation of the South side's headquarters of the National Alliance for the Country's Reunification (Pomminnyon) told a press conference Thursday that the third pan-national rally would be held in Seoul on August 15, a Seoul-based radio report said.

The committee declared from June 25 to August 15 as a period of the pan-national movement for peace and reunification of the country, and called for a practical campaign for the implementation of the North-South agreement and for bringing together the efforts and wisdom of the nation to achieve peace and real disarmament in this period.

University Meeting Marks Kim Il-song Guidance

SK2306220592 Pyongyang KCNA in English
1540 GMT 23 Jun 92

[Text] Pyongyang June 23 (KCNA)—The 22nd of June is the 40th anniversary of on-the-spot guidance given by the great leader President Kim Il-song to the University of National Economy.

A meeting and symposium were held at the university on this anniversary.

President Kim Il-song visited the Central High Leading Cadres School, the predecessor of the University of

National Economy, which was situated in Sakju County, North Pyongan Province, on June 22, 1952 when the Fatherland Liberation War was at its height and guided the work of instruction and education and management and operation of the school.

He made public his historical work "Strengthening of the People's Power Is an Important Guarantee for Victory in the Fatherland Liberation War" before teachers and students of the school on June 23 and indicated tasks and ways for officials of power bodies to discharge their duty as servants of the people.

In his report at the meeting today, President of the University Kim Kuk-hun said that the great leader's on-the-spot guidance was a significant guidance which made an immortal contribution to strengthening the driving force of the revolution and consolidating the rear and brought about a new revolutionary turn in the development of cadre training.

The reporter noted in detail that the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il indicated the road ahead of the university at each period and in every stage of the developing revolution and has wisely led it to victory and glory.

He called for further developing in depth the work of training cadres in conformity with the requirement of the developing revolution.

A symposium on President Kim Il-song's work took place on June 22.

Ideology Stressed as 'Life' of Socialist Society

SK2406071992 Pyongyang Korean Central Broadcasting Network in Korean 0005 GMT 21 Jun 92

[NODONG SINMUN 21 June special article: "Ideology Is Life of Socialist Society"]

[Text] There is a fundamental difference in principles working on society between socialist society and capitalist society. Our party has given a new scientific and theoretical clarification on this matter by elucidating that ideology is life in socialist society.

Dear leader Comrade Kim Chong-il has noted:

We can say that just as money is life in a capitalist society ruled by the principle that material is omnipotent, so ideology is life in a socialist society, where the popular masses are the masters.

The unique idea that ideology is life in socialist society, which the dear leader Comrade Kim Chong-il has elucidated, gives us a new understanding of the importance of ideological consciousness for the existence of socialism and in the struggle to strengthen and develop it. It also clearly shows how to firmly protect and complete socialism in any difficult and complicated situation.

Ideology is a consciousness that reflects man's demands and interests, as well as an essential factor that determines all human behavior.

It is impossible to think of the people's independent and creative activities apart from the role of ideological consciousness. When we say that man plays a decisive role, we mean, after all, that man's ideological consciousness plays a decisive role.

When we say that ideology is life in socialist society, we mean that the fate and future of socialist society depend on ideology. Just as a living organism ceases to exist when it loses its life, which is its basic attribute, so socialist society will eventually decline or be unable to exist if the factors of its life weaken or degenerate.

The struggle to establish and protect a socialist regime and to consolidate and develop the socialist ownership is carried out and won by the people who have socialist ideology.

In capitalist society, dominated by the principle of material being omnipotent, money may be its life. Capitalist society is money-is-omnipotent society in which everything depends on money. In capitalist society where money is everything, man's dignity and value is estimated by money and all social relations start with money and are established by money.

Capitalist society, in which even people's thoughts and behavior become subordinate to money, makes people slaves of money and goods more and more. It is a rotten and morbid society, in which overall social life cannot be maintained even for a moment without money.

The proposition that ideology is life in socialist society is based on the ideological theory elucidated by the *chuche* idea. Man is a social being that has independence, creativity, and consciousness.

The true worth and dignity of a human being is in holding noble ideological and spiritual traits. A man who aspires for independent and creative life puts man's dignity and honor above money or goods.

Socialist society is based on collectivism, and what determines the fate of socialist society is socialist ideology, the essential content of which is collectivism.

When the popular masses arm themselves with socialist ideology and unite themselves in one based on it, socialism will be victorious. If the popular masses become ideologically unhealthy, socialism will be sickly and frustrated.

When we say that socialist ideology is the life of socialist society, we mean, above all, that it gives eternal vitality to society by making the popular masses the true masters of society. To make the popular masses true masters of society means to let them fulfill their responsibilities and role as masters.

The vitality and fate of socialist society, in which the popular masses are masters of everything depend on whether the popular masses fulfill their responsibility and role as masters. For the popular masses to fulfill their responsibility and role as masters of society, they should have high ideological consciousness suitable for their position and role as masters.

In enhancing the role of the popular masses, their ideological consciousness and creative ability have important functions. Of the two, ideological consciousness plays the more important function. Man's creativity is regulated by his ideological consciousness, and man can carry on his activities creatively in conformity with his independent demands because he has independent ideological consciousness. Therefore, in order for the popular masses to fulfill their responsibility and role as masters of socialist society, they should, above all, have high independence-mindedness, socialist ideology.

Socialist ideology leads the popular masses to acquire a self-awakening as the masters of socialist society. Only when the people acquire socialist ideology, collectivist ideology, can they be deeply aware that they themselves are masters of society, that the work they are doing is for society and themselves, and that they should thus do all work responsibly and sincerely.

Socialist ideology not only leads the popular masses to acquire a self-awakening worthy of masters, but also gets them to bring into full play enthusiasm based on the self-awakening. Socialist ideology leads the people not only to put collective and social interests before individual ones, but also to bring into full play a great self-awakening zeal and initiative in the development and growth of a socialist society.

Another reason socialist ideology becomes a way of life in socialist society is that it firmly unites the popular masses as one. That the popular masses firmly rally in one ideology and purpose is not only the inherent demand of socialist society, but also most important for successfully constructing socialism.

The road to socialism is an untrodden path, which should be newly pioneered. The road is also a path of arduous struggle, which should be advanced in the course of acute confrontation with imperialism. The popular masses should firmly rally around the party and the leader in ideology and purpose to overcome difficulties and tribulations in the course of advance and to firmly defend and complete socialism to the end.

The inherent nature of socialist ideology lies in collectivism. Collectivism demands that all the people should share life and death and weal and woe, while helping and leading each other under the slogan, "One for all and all for one." Only when they use a foundation of socialist ideology, collectivism, can the popular masses achieve a sincere and firm ideological unity. Socialist ideology leads all members of society to cooperate closely and firmly unite with each other in order to uphold the party and the leader and achieve the party's cause. In addition,

socialist ideology makes the unity and cohesion of the popular masses firmer by enabling all people to truly believe, respect, and help each other, and this becomes a social trend.

Socialist ideology leads the popular masses to unite around the party and the leader as a unified body. It makes the revolutionary zeal and creative energy of all members of society move as one. In addition, socialist ideology brings into full play and unifies revolutionary zeal and the creative energy of all members of society. By so doing, socialist ideology creates strong driving forces capable of vigorously pushing socialist development ahead by making the whole society an organism that breathes and moves with one ideology.

The ideological theory that life in socialist society is based on the ideology that the dear leader comrade has elucidated is the most correct ideological theory, which conforms to an inevitable demand for developing socialist society. This is the most correct ideological theory conforming to a legitimate demand for developing socialist society. The work to construct socialism is the work aimed at making the people communist human beings, who fulfill their responsibility and roles as the masters of the state and society; at laying a strong economic foundation capable of materially guaranteeing socialist life; and at reforming all social relations in accordance with the demand of socialist society.

What should be done first after getting rid of the exploitation system and founding socialist system is the human-remolding work to reform the people into communist types. As the human-remolding work progresses, we should advance not only the nature-remaking work to lay a social material and technological foundation, but also the work on social reform to improve social relations in keeping with the socialist demand. This is a legitimate course for developing socialist society. For this reason, we should more firmly give priority to the human-remolding work and the ideological revolution than anything else. In addition, we should put great efforts into the human-remolding work and the ideological revolution. This is most important in constructing socialism.

Our party's ideological theory that ideology is life in socialist society demands that the party and the state of the working class should not try to influence the people with money, but try to vigorously carry out the ideological remolding work, while holding onto the ideological remolding work in accordance with the demand of socialist society's development.

Only when we give priority to and constantly put great efforts into raising the popular masses' ideological consciousness according to our party's ideological theory can socialist society be constantly developed and completed by strengthening the main forces of socialist society and by increasing its role.

Our party's ideological theory that ideology is life in socialist society is the revolutionary ideological theory

capable of thoroughly smashing the antisocialist maneuvers of the imperialists and reactionaries. The vicious and persistent antisocialist offensive of the imperialists, who try to smash socialism, is an ideological and cultural offensive against socialist countries. They are conducting the ideological and cultural offensive more viciously. Firmly preparing the popular masses ideologically to be alert and fight against the imperialists' ideological and cultural infiltration is one of the most important demands in the whole course of constructing socialism.

Only when the popular masses accept socialist ideology as faith and firmly rally in ideology and purpose can they prevent miscellaneous ideologies and reactionary cultures from infiltrating. Only then can they smash the imperialists' reactionary offensives at every step.

Our country's reality, in which socialism has been firmly defended and has pressed hard on the heels of the enemy even in unprecedentedly arduous and complex situations, clearly proves the vitality and validity of our party's original ideological theory that ideology is life in socialist society.

South Korea

Yi Sam-no Says North To Accept Joint Inspection

SK2606022592 Seoul YONHAP in English 0206 GMT
26 Jun 92

[Text] Tokyo, June 26 (YONHAP)—A senior North Korean official has said his government will accept mutual nuclear inspection with South Korea, the Japanese daily MAINICHI SHIMBUN reported Friday in a Honolulu dispatch.

Yi Sam-no, chief of the North Korean delegation to the Pyongyang-Tokyo normalization negotiations, was quoted as saying that his government would accept inter-Korean inspection as it had signed a Joint Declaration on Denuclearization of the Korean peninsula last year.

"Mutual inspection is an internal problem among the Korean people. The United States and Japan should not make the issue a condition for normalization or improvement of their relations with us," Yi was reported as saying in an interview with the daily's chief editorial writer.

"If Japan insists on making inter-Korean inspection a precondition for normalization, its relations with us will plunge to the worst state," he added.

Yi claimed the International Atomic Energy Agency inspections in May found no evidence of North Korean nuclear development.

MAINICHI said North Korea and Japan agreed Thursday to simultaneously settle jurisdictional and

other basic problems and the issue of compensation for Japanese atrocities against Koreans during World War II.

Commenting on U.S. troops in South Korea, Yi said: "If the United States supports Korean reunification, and if it continues to argue about North Korean threats, its troops may remain in South Korea until it has confirmed the non-existence of those threats."

MAINICHI quoted Yi as saying Wednesday that North Korea would allow a U.S. military presence in South Korea after reunification.

"I did not mean that South Korea needed a U.S. military presence. I was saying that the U.S. Forces would have to withdraw some day," Yi was quoted as saying Friday.

Yi, an adviser to Pyongyang's Disarmament and Peace Institute, was in Honolulu, Hawaii, to attend an international seminar on "peace on the Korean peninsula and Korean unification."

Yi Remarks on U.S. Forces, Nuclear Issue Viewed

SK2606110592 Seoul CHOSON ILBO in Korean
26 Jun 92 p 4

[Article by reporter Pak Tu-sik: "True Intention of 'Remarks by Yi Sam-no' of North Korea"]

[Text] A sensation is growing over the remarks of Yi Sam-no, an adviser at North Korea's disarmament and peace research institute, on "recognition [injong] of the continued presence of the U.S. Armed Forces in Korea after reunification" as reported by Japan's MAINICHI SHIMBUN on 24 June from Honolulu.

This report, if true, means a basic change in North Korea's southward policy and line, which insisted upon "withdrawal of U.S. troops from Korea" as the top priority for resolving all questions concerning the Korean peninsula. Let us first carefully review the MAINICHI SHIMBUN report.

This newspaper reported that Yi Sam-no, a North Korean delegate to the "conference of six nations on peace on the Korean peninsula and North-South reunification," which was held in Honolulu from 23 to 25 June and co-sponsored by MAINICHI SHIMBUN and the U.S. Center for Strategic and International Studies (CSIS), said that "if necessary, we will recognize the continued presence of U.S. troops in Korea" and "North and South must abide by all treaties concluded with foreign countries before reunification, even after reunification." Quoting the remarks of an ROK Foreign Ministry official, this newspaper also carried our government's reaction, which noted that "if the report is true, it can be appraised as considerable progress."

It was confirmed on 25 June, however, that the report by the ROK consulate general in Honolulu contradicted the MAINICHI SHIMBUN report. Officials from the consulate general attended this conference as the ROK side's

delegation. On 25 June, the ROK consulate general in Honolulu sent a report concerning Yi Sam-no remarks, stressing that Yi actually said "all treaties that North and South Korea concluded with foreign nations before the reunification will be effective under the confederal system of Koryo" and "if U.S. troops in Korea are helpful to stability in Northeast Asia, they may withdraw in a step-by-step manner [tangyejoguro]."

If the consulate general's report is true, Yi Sam-no's remarks that day merely reconfirm North Korea's current position. The conference that day was held behind the closed doors, but the reporters from MANICHI SHIMBUN, which co-sponsored the meeting, were allowed to cover it. It was confirmed that the interpreter for Yi Sam-no was a reporter from this newspaper. The ROK delegates, however, were able to understand Yi Sam-no's remarks without an interpreter. MAINICHI SHIMBUN and the ROK delegation made Yi Sam-no's remarks public in different ways.

We need to distinguish between the truth and falsehood of these remarks given the controversy surrounding them. On 25 June, when the domestic press featured Yi Sam-no's remarks, North Korea denounced the remarks made by U.S. Ambassador to the ROK Gregg, who revealed that "there is a need to keep a symbolic number of U.S. troops even after the reunification." North Korea called them "violent remarks showing an intent to perpetuate military occupation."

Concerning the treaties that North and South Korea concluded with foreign nations, the content of the Political Subcommittee meetings in Panmunjom are also helpful in assessing the truth and falsehood of Yi Sam-no's remarks. When the North and the South adopted the agreement during the fifth North-South high-level talks held in Seoul late last year, the two sides went through repeated labor pains [chintong] until the last minute over the issue of "treaties with other countries." Our side's plan was to give precedence to treaties concluded with foreign countries over the agreement until the reunification. But the North side proposed a "principle of respecting the agreement first."

People point out that this allegation by the North side is aimed at the ROK-U.S. Mutual Defense Treaty. During the talks at that time, the two sides agreed to delete this portion while negotiating over each provision in a bid to leave room for each to interpret this part in its own way. About six months after the adoption of the agreement, however, North Korea again officially proposed this issue in the Political Subcommittee.

The greatest difference between the press report and our government's understanding is the omission of the precondition of "reunification under the confederal system of Koryo." The confederal system of Koryo—North Korea's consistent reunification plan—came from the mutual recognition of each other's political system. Therefore, treaties

concluded with foreign countries should naturally be effective. It may be appropriate, however, to consider at this point that this condition has been ignored and the treaties themselves are exaggerated.

As for the remarks on the continued presence of U.S. troops in Korea, North Korea called for "phased withdrawal of U.S. Forces from Korea" through its spokesman An Pyong-su during the seventh high-level talks last May.

Yi Sam-no himself made similar comments at the end of the Japan-North Korea negotiations for diplomatic relations in Beijing last May. Thus, some people sardonically pointed out that judging from all of this, the sensation over Yi Sam-no's remarks this time is merely a "happening," occurring because of lack of prior knowledge about relations between North and South of Korea.

Nevertheless, the part to which we should pay attention is North Korea's recent attempt to appear flexible. Since the beginning of the year, North Korea participated in various seminars on the issues concerning the Korean peninsula held in the United States and Japan; each time, North Korea made remarks suggesting a certain change. In short, North Korea made desperate efforts to push world public opinion in a direction favorable to itself.

We should also pay attention to the attitude of the Japanese press. The Japanese press has been a spokesman for Japanese Government policy that cannot be made public for certain reasons. The recent trend of the Japanese press, possibly linked with a series of Japanese Government moves to improve relations with North Korea, is making people apprehensive. Evidence of this is the Japanese press' enthusiasm about approaching Pyongyang.

South-North Cooperation Subcommittee Meeting Held *SK2606042592 Seoul KBS-1 Radio Network in Korean* *0300 GMT 26 Jun 92*

[Text] North and South Korea are holding the fifth meeting of the Exchange and Cooperation Subcommittee to the North-South high-level talks in the House of Peace in Panmunjom today. They are negotiating the contents of annexed documents.

In today's meeting, Yim Tong-won, our side's chairman, again emphasized our position that without resolution of the nuclear issue, it will be difficult to make actual progress in North-South relations. Chairman Yim Tong-won said that the North-South basic agreement and the joint declaration on denuclearization of the Korean peninsula should be observed without fail. He also urged that the reunion of separated family members should be unconditionally promoted without linking it to other issues.

Chairman Yim Tong-won revealed that our side's position is that without the resolution of the nuclear issue,

practical progress cannot be made. If mutual inspection is not conducted after regulations of mutual inspection are adopted, there will be no progress in implementing the annexed agreements, which will be adopted by the joint committee in the future.

In today's meeting, concerning the North side's demand that the invalidation of Ulsa Protectorate Treaty and Chongmi Seven-Point Treaty be dealt with at the Exchange and Cooperation Subcommittee as an urgent agenda item and that a joint communique should be adopted, our side said that the Ulsa Protectorate Treaty was confirmed to be null and void in the ROK-Japan basic agreement treaty in 1965. Thus our side rejected the North's proposal.

No Agreement; 28 Jul Session Slated

SK2606063892 Seoul KBS-1 Radio Network in Korean 0500 GMT 26 Jun 92

[Text] North and South Korea held the fifth meeting of the Exchange and Cooperation Subcommittee in the House of Peace in the area of our side in Panmunjom today. They discussed the content of annexed documents, but failed to have a practical discussion because they differed on nuclear mutual inspection. Reporter Chang Yon-ku reports:

[Begin Chang recording] At today's meeting which was held in public, North and South Korea had a verbal battle over how to improve mutual inspection and North-South relations and did not have a practical discussion on the annexed agreement in the fields of exchange and cooperation.

In his first statement, Yim Tong-won, our side's chairman, reemphasized the government's previous position that without resolution of the nuclear issue, no practical progress will occur in North-South relations. Concerning North Korea's demand on the government's official nuclear position, Chairman Yim Tong-won answered that if mutual inspection is not conducted after regulations of mutual inspection are adopted, no noteworthy progress can be made in implementing the annexed agreements which are to be adopted in the future by the joint committee.

However, Chairman Yim revealed that if the mutual inspection is conducted, joint economic projects can be promoted even before the annexed agreements are adopted. Thus, he made it clear that mutual inspection is a precondition to the economic cooperation which the North side wants.

In response, North Korea claimed that it is our side's fault that the mutual inspection is being delayed. In particular, the North side retorted that if our side uses the mutual inspection issue to obstruct implementation of the basic agreement and as a result North-South relations become worse, the elderly parents' visiting group project will not be realized.

In today's meeting, the North side proposed that the invalidation of the Ulsa Protectorate Treaty be discussed as an urgent agenda item and a joint resolution be adopted. However, our side rejected the North side's proposal by citing the fact that the treaty was already null and void in the 1965 ROK-Japan basic agreement.

The two sides agreed to hold the sixth meeting on 28 July to continue negotiations. [end recording]

No Discusses Nuclear Issue With U.S. Official

SK2606021192 Seoul YONHAP in English 0146 GMT 26 Jun 92

[Text] Seoul, June 26 (YONHAP)—President No Tae-u said Friday that the North Korean nuclear issue should be resolved as soon as possible for the security of the Korean peninsula and world peace.

No made the remark when Paul Wolfowitz, U.S. under-secretary of defense for policy, paid a courtesy call on him at Chongwadae Friday morning.

The president told the U.S. official he positively evaluated North Korea's acceptance of the International Atomic Energy Agency's ad hoc inspection of its nuclear facilities.

South Korea, however, was exerting its efforts to undertake simultaneous inspection of nuclear facilities in each other's territory with North Korea in accordance with the Dec. 31 declaration of denuclearization of the Korean peninsula, No said.

No stressed the need for close coordination between South Korea and the United States for a positive resolution of the North Korean nuclear issue. South Korea and the United States should also maintain the current security arrangement for peace and security of Northeast Asia, he said.

Combined Field Army With U.S. Disbanded 26 Jun

SK2606024692 Seoul THE KOREA HERALD in English 26 Jun 92 p 3

[Text] The ROK-U.S. Combined Field Army (CFA) will be disbanded today in a ceremony at its headquarters of Camp Red Cloud in Uijongbu.

The disbandment is part of the ongoing program to convert the U.S. forces here from a leading to a supporting role in the defense of South Korea.

It is also based on the U.S. force reduction program.

The CFA, consisting of two corps and 10 divisions, was established in March 1980 for defense of the Western Corridor of South Korea.

The CFA, headed by Lt. Gen. William Carpenter, was the only combined field army in the world.

Seoul and Washington agreed last year to disband the CFA by July 1 this year.

With the disbandment, the organization of the ROK Army 5th and 6th Corps will also be changed, according to an Army source.

Union Leaders Fast To Protest U.S. Base Layoffs

SK2506071192 Seoul YONHAP in English 0642 GMT
25 Jun 92

[Text] Seoul, June 25 (YONHAP)—Some 200 leaders of unionized Korean workers for the eighth U.S. Army began a fast at its Yongsan Base in Seoul Thursday demanding the withdrawal of a mass layoff plan and accumulative retirement or resignation allowances.

The leaders who represented employees at the eighth army camps across the country are also asking for measures to help laid-off workers find jobs during the fast which will end on 5 p.m. Friday.

The union workers will call a strike at all the U.S. Army camps from June 29 through July 3 if the 171th meeting Friday of the Korea-U.S. joint committee fails to provide the guarantee for the livelihood of the laid-off workers.

U.S., Union To Discuss Labor Dispute

SK2606040192 Seoul YONHAP in English 0221 GMT
26 Jun 92

[Text] Seoul, June 26 (YONHAP)—South Korea and the United States hold a Status of Forces Agreement (SOFA) Joint Committee meeting Friday to settle a dispute between the U.S. Forces Korea (USFK) and the Korean Employees Union (KEU).

Some 200 KEU members began a hunger strike Thursday to demand financial support for laid-off employees and severance pay on an accumulative, not yearly, basis.

The SOFA Joint Committee will also discuss USFK facility operation, officials said.

Chong Tae-ik, director-general of the Foreign Ministry's American Affairs Bureau, will lead the talks with Lt. Gen. Ronald R. Fogleman, vice commander of USFK.

The next joint committee meeting will be held on Oct. 23 at the Foreign Ministry.

Premier Makes Counterproposal on Japan Statement

SK2606010992 Seoul YONHAP in English 0038 GMT
26 Jun 92

[Text] Seoul, June 26 (OANA-YONHAP)—South Korea counterproposed to North Korea Thursday that their historians study the validity of the 1905 Korea-Japan protectorate in a seminar rather than discussing it in a joint subcommittee.

"To research together South and North Korea's commonly shared dark past is truly the first step to restoring homogeneity of the people," Prime Minister Chong Won-sik said in a telephone message to his North Korean counterpart, Premier Yon Hyong-muk.

It would be ideal for the two sides to discover new facts, exchange them and study them together at a historians' seminar, Chong said.

The message was a counterproposal to Yon's suggestion that South and North Korea adopt a statement at the exchanges and cooperation subcommittee exposing the non-validity of the protectorate and demanding an apology from Japan.

Chong suggested instead that the two sides should take up the issue at the joint commission for social and cultural exchanges and cooperation.

"This is all the more reason why we should hurry with the adoption of a protocol on the commission's operation so that it can arrange and support such a project," Chong's message said.

The 1905 Korea-Japan protectorate treaty does not bear the Korean king's seal or signature, researchers have discovered, calling into question its validity as an international pact.

Under the treaty, Japan made the Korean peninsula a protectorate until formally annexing it five years later.

Kim Tae-chung on Japan's 'Emerging Militarism'

SK2606021392 Seoul THE KOREA TIMES in English
26 Jun 92 p 2

[From the "Press Pocket" column entitled: "New Security Steps"]

[Text] Kim Tae-chung, chairman of the Democratic Party, yesterday warned of emerging militarism in Japan and urged a security regime for both parts of the Korean peninsula.

"Defense posture, now solely directed toward North Korea, should be reoriented into an 'all-round' security system which could ensure the peace and safety of all Koreans against Japan," he told reporters.

"Schemes should be worked out immediately to guarantee the existence and prosperity of all Koreans amid the rapid change of power in all of Asia," he added.

He did not elaborate on what he meant by the change of power in Asia, but implied that he was citing Japan's move to dispatch troops, originally supposed to be for self-defense, abroad. He earlier denounced Japan for its plan to import plutonium, a crucial material for nuclear weapons, and its enactment of the Peacekeeping Operations bill.

Kim also visited patients in a state-run hospital for Korean War veterans and a military hospital on the occasion of the 42nd anniversary of the outbreak of the 1950-53 Korean War.

In the meantime, the Unification National Party [UNP] marked the day with expensive front-page advertisements in several vernacular papers vowing to "establish a government strong enough to prevent the recurrence of another Korean War."

The UNP called on Kim Il-song to repent for the invasion and for the North to give up its nuclear program right away, while urging both governments to arrange reunion of at least 10,000 people dispersed in the South and North on the Aug. 15 Independence Day and not to exploit inter-Korean dialogue for their own political interests.

Five Chosen To Help Monitor Cambodian Elections

SK2506072592 Seoul YONHAP in English 0645 GMT 25 Jun 92

[Text] Seoul, June 25 (OANA-YONHAP)—The South Korean Foreign Ministry selected Thursday five representatives to oversee the Cambodian elections as members of the U.N. Transitional Authority in Cambodia (UNCTAC).

The one woman and four men will leave for Cambodia early next month to support UNCTAC in publicizing the elections, registering voters and election management, the ministry said.

This is Korea's first participation in a U.N. peacekeeping mission.

The team members are 26-year-old Choe Hyon-ok of the Korea Election Research Center, the sole woman, Yi Yun-sok, 28, a researcher at the Korean Institute for International Economic Policy (KIEP), Kim Min-sok, 26, a graduate student at Sogang University, Kim Chuhwan, 27, a graduate student at Hanguk University of Foreign Studies, and Eun Chi-eun, 25, a graduate student at Sogang University.

The United Nations will provide lodging and pay each member of the team 729 U.S. dollars a month.

No Beef Agreement Reached With New Zealand

SK2406024092 Seoul THE KOREA HERALD in English 24 Jun 92 p 8

[Text] Korea and New Zealand failed to narrow their position over such issues as Korea's liberalization of its beef market, during bilateral talks on beef quotas in Seoul yesterday.

New Zealand's chief delegate Brian Smythe, deputy director of the Multilateral Trade Division at the Ministry of External Relations and Trade, demanded that Korea should open its beef market to foreign competitors by July 1997, Korean delegates said.

He was quoted as saying that Korea would find it hard to seek the foundation for imposing restrictions against beef imports within the framework of GATT rules, so she will have to adopt policies preparing for the liberalization of its beef market in 1997.

But Korean chief delegate Kim Chong-yong, livestock bureau chief at the Ministry of Agriculture, Forestry and Fisheries, emphasized that Korea has contributed to expanding global trade as one of the countries advocating free trade despite its political and economic difficulties, saying that two-way trade is in favor of New Zealand at a ratio of 1:4.2.

The New Zealand side asked for Korea to determine a '93 base quota based on the current amount of beef imports, in a bid to stabilize cattle prices and prepare for the liberalization of the market.

The Korean side responded that "93-95 beef quotas should be raised in a proper level on the basis of '92 base quota to maintain cattle production in consideration of such problems as environmental preservation and a decline in rural population.

Under agreement reached in 1990, annual beef quota was set at 58,000 tons in 1990, 62,000 tons in 1991 and 66,000 tons in 1992.

In reality, Korea imported 84,000 tons of beef in 1990 and 125,000 tons last year.

New Zealand called for Korea to lift discrimination against its grass-fed beef products and price controls over packaged beef products. It also demanded for a fair practice in an international bidding for beef importation under the simultaneous sell and buy system (SBS).

Russia To Levy 15-Percent Tariff on Imports

SK2506020292 Seoul YONHAP in English 0115 GMT 25 Jun 92

[Text] Seoul, June 25 (YONHAP)—Russia will slap an average 15-percent provisional tariff on imports July 1, dealing a blow to South Korea's exports, the Korea Trade Promotion Corp. (Kotra) said Thursday.

Russia plans to lift the tax exemption for imports that took effect six months ago except for food, beverages and farm products from developing countries, Kotra said, citing a report from its Moscow office.

Korea, classified as a developing nation by the United Nations, will have exemption in exporting agricultural goods, food and beverages to Russia.

Tariff rates range from 20-25 percent for alcoholic beverages to 15 percent for electronic goods and transportation equipment, including automobiles.

Shipping Registry Signs Agreement With PRC Group
SK2406025392 Seoul THE KOREA TIMES in English
24 Jun 92 p 8

[From the "Economic Bulletin" column]

[Text] Chong Yon-se, president of the Korean Register of Shipping (KR), yesterday signed an agreement with Wang Huilin, vice president of the China Classification Society (ZC), on bilateral business cooperation at the KR conference hall.

A KR spokesman said the two ship classification bodies will be able to undertake inspections of ships and ship materials for each other in the wake of signing the agreement.

New Consuls to Sao Paulo, Toronto Appointed
SK2406091892 Seoul YONHAP in English 0810 GMT
24 Jun 92

[Text] Seoul, June 24 (YONHAP)—The government appointed Kim Chong-sun as new consul-general to Sao Paulo and Pak Tae-hui as consul-general to Toronto Wednesday.

Choe Hyock, deputy director-general for international trade at the Foreign Ministry, was appointed economic minister to France. He is replaced by O Haeng-kyom from the ministry's Institute of Foreign Affairs and National Security (IFANS).

The former consul-general to Sao Paulo Kim Chong-min returns to Seoul headquarters.

Kim Chong-sun, 55, graduated from Seoul National University and joined the Foreign Ministry in 1963.

He served as consul in Hamburg, counsellor in Sudan and New Zealand, director of East Africa Division and research officer at IFANS.

His latest overseas post was deputy consul-general to Chicago May 1988-Feb. 1992.

Pak Tae-hui, 54, is also a graduate of Seoul National University. He joined the ministry in 1968.

His foreign assignments include second secretary to Burma, consul to San Francisco and deputy consul-general to Los Angeles.

He was director of Cultural Affairs Division and Public Relations and Cultural Affairs Division and deputy director-general for Passports, Consular and Overseas Residents Affairs Bureau.

No Urges Cabinet To Form Environment Body
SK2306024692 Seoul YONHAP in English 0153 GMT
23 Jun 92

[Text] Seoul, June 23 (YONHAP)—President No Tae-u instructed his government Tuesday to form an inter-ministerial environmental organization as early as possible to tackle the emerging environment-related issues effectively.

Presiding over a meeting of environmental issue-related ministers, including the prime minister, deputy prime minister and foreign minister, at Chongwadae [presidential residence], No stressed that comprehensive measures had to be worked out in order for the nation to join the rung of advanced countries.

No emphasized that efforts should be made to turn the industrial structure into one that better suits the needs to save energy and preserve the environment.

"As the environment-preserving and new energy-saving technologies are essential to pushing for a development that doesn't damage the environment, we should rack our brains in developing environment technologies by training experts and expanding technology investment," the chief executive said.

Environmental problems were caused by the overconsumption of natural resources, No pointed out, adding a pan-national movement joined by the government, businesses and citizens should be carried out for the conservation of resources and environmental preservation.

The meeting was convened to discuss measures to cope with the newly-forming international surroundings regarding the environment in the wake of the earth summit in Rio de Janeiro, a Chongwadae source said.

Plans for Environmental Protection Outlined
SK2306102392 Seoul YONHAP in English 0917 GMT
23 Jun 92

[Text] Seoul, June 23 (YONHAP)—The government will invest 815.5 billion won in the development of substitutes for chlorofluorocarbons (CFCs), incinerators causing less pollution, and technologies for a new catalytic converter by the year 2001.

It has also decided to legislate a law for the restriction of toxic wastes disposal in preparation for the signing of the Basel convention that would control the movement of toxic materials across national boundaries.

These and other decisions were made at a meeting of environment-related ministers presided over by President No Tae-u Tuesday to cope with the impact of the earth summit on Korea.

Prime Minister Chong Won-sik told the meeting that an inter-ministerial organization would be set up soon to work out and coordinate measures for sustainable development amid environmental preservation.

Deputy Prime Minister Choe Kak-kyu, who also is the economic planning minister, said his board would strive to expand energy-saving facilities and cut energy consumption in such fields as steel, cement and petrochemical industries.

Choe said that his Ministry would press hard to reduce carbon dioxide emissions by raising the share of atomic power and liquefied natural gas (LNG).

He also said that policy support would be given to such value-added industries as precision machinery and genetic engineering which are not very dependent upon energy.

He said he was considering enactment of a law to promote the formation of an energy-saving industrial structure.

Foreign Minister Yi Sang-ok said the earth summit in Rio de Janeiro fell short of innovative measures to solve environmental problems due to conflicting views between advanced and developing countries.

"But the conference arranged a basis for sectoral negotiations in the future," Yi told the meeting. He added that the summit would be followed by stricter international restrictions aimed at preserving the environment.

He said his Ministry would wage an active diplomacy to prevent the industrializing countries from sharing an unfair environmental burden and to have them secure the right to development.

The Foreign Ministry would continue to play the role of an intermediary between the advanced and developing nations by suggesting workable compromises in the days ahead, he said.

Environment Minister Kwon I-hyok said the top priority in development projects would be environmental preservation. The environmental assessment system and standards would be strengthened, he said.

Turning to the eco-system survey in the Demilitarized Zone proposed by the government to North Korea, Kwon said that his Ministry would draft a plan on the joint survey and would finalize it through the inter-Korean high-level talks.

Kwon said his Ministry was also considering joint surveys of famous mountains in both sides of the Korean peninsula and establishment of a consultative body on preservation of natural environment which might streamline environmental policies of South and North Korea.

The Environment Ministry would seek to upgrade cooperation with North Korea, Japan, China, Russia and Mongolia to resolve environmental issues, he said.

14th National Assembly To Convene 29 Jun

SK2606040292 Seoul YONHAP in English 0252 GMT
26 Jun 92

[Text] Seoul, June 26 (YONHAP)—The 14th National Assembly, acting on the request of 159 Democratic Liberal Party representatives, Friday issued a public notice convening the 157th extraordinary session of the Assembly at 10 a.m., June 29.

Lawmakers are expected to re-elect Pak Chun-kyu of the DLP as speaker, and Hwang Nak-chu of the DLP and Ho Kyong-man of the Democratic Party as vice speakers before holding an opening ceremony in the afternoon.

The DLP, the majority party, plans to hold the session for about three weeks after forming the 17 standing committees and electing their chairmen. Substantial activities will begin July 2, sources said.

Parliamentary procedure is expected to hit a snag immediately after the opening as the main opposition democratic and unification national parties have vowed to continue their struggle to hold local elections within this year.

They indicated that they would not take part in the selection of standing committee chairmen unless the ruling party agreed to hold the elections for provincial governors and city mayors this year.

Pak Hui-tae, the DLP's spokesman, issued a statement Friday urging the opposition parties to abandon "the old style" of parliamentary maneuvering and join the majority party to solve issues through negotiation.

He warned that lawmakers could not avoid public criticism if they were unable to operate the assembly from the beginning and said they should not paralyze the assembly by linking the local issue with the election of committee chairmen.

The Democratic Party, meanwhile, held a meeting of senior officials Friday morning and decided to recommend Ho Kyong-man as vice speaker, attend the opening session and hear the president's address.

Kim Yong-sam Meets With Yi Chong-chan 25 Jun

SK2606032192 Seoul YONHAP in English 0217 GMT
26 Jun 92

[Text] Seoul, June 26 (YONHAP)—Kim Yong-sam, presidential candidate of the ruling Democratic Liberal Party [DLP], met with his erstwhile rival Rep. Yi Chong-chan in a downtown Seoul Hotel on Thursday, informed sources said Friday.

In the one-on-one meeting, Kim urged the four-term representative from Seoul to remain in the ruling party and cooperate in his efforts to win the presidential election in December, the sources said.

But Yi showed "a negative response" to the overture by the DLP's executive chairman at the get-together, held at Kim's request, the sources added.

Yi had been ostracized by the so-called mainstream of the ruling party since he dropped out of the race for the party's presidential nomination at the DLP National Convention May 29 at the last moment, charging Kim with waging "unfair and illegal campaigns" against him.

Yi had indicated he would leave the DLP to form a new political party with a possible aim to run for president in December.

Yi Decides To Remain in DLP

SK2606121292 Seoul YONHAP in English 1032 GMT
26 Jun 92

[Text] Seoul, June 26 (YONHAP)—Rep. Yi Chong-chan of the ruling Democratic Liberal Party [DLP], reported to have been planning to leave the DLP to found a new party, said Friday afternoon he would remain at the ruling party.

Yi disclosed the decision during a meeting with his political rival DLP Executive Chairman Kim Yong-sam who made a surprise call on him at his Kwanghwamun office.

Emerging from the meeting, Yi told reporters, "I have met Kim twice so far, during which I urged him to hold local mayoral and gubernatorial elections within the year and recognize the existence of intra-party dissidents."

Yi said he also raised before Kim the issue of selecting a new party executive chairman.

Kim Yong-sam also said after the meeting, "During my meetings with Rep. Yi, I told him not to cause concern to the people any longer and we agreed to work together to recreate government control."

Kim suggested that Yi expressed his decision to remain in the party by saying, "Rep. Yi will show up at the DLP office Saturday morning."

Ever since he boycotted a competition for party presidential candidate for "unfair management" late last month, Yi had been rallying his supporters in a bid to form a party of his own.

Asked if he would still run in the presidential election, Yi said, "From the moment I boycotted a competition for party nomination, I have been in a standoff posture. I have decided to play the role of a plain member."

Yi, in particular, said he told Kim Yong-sam that a future party chairman should be a person who can command broad support from party members.

In this connection, one of Yi's aides said, "It seems Rep. Yi had Chairman Pak Tae-chun in his mind when he spoke of a new party executive chairman."

Yi was known to have exclusively met Kim Yong-sam at a Seoul hotel Thursday evening prior to Kim's call on him Friday.

Kim Yong-sam Outlines Economic Priorities

SK2606034192 Seoul THE KOREA HERALD
in English 26 Jun 92 pp 2, 8

[By staff reporter Kim Chong-chan]

[Text] Since it is beyond doubt that the troubled Korean economy will become a major campaign issue in the presidential election expected in mid-December, standard-bearers of political parties are struggling to study economics or flaunting their knowledge of it.

Kim Yong-sam, the presidential candidate of the ruling Democratic Liberal Party (DLP), apparently mindful of the opposition's criticism that he lacks knowledge of economics and thus is not qualified to become president, has come to grips with the economy since early last year.

Kim recently recruited a university professor as his top economic adviser, on top of a former government economist who has served as his private tutor.

The new adviser, Seoul National University economics professor Pak Chae-yun, is a specialist in financing. He has been a member of the nine-man Monetary Board of Korea since 1987.

Born in Tongnae in Pusan, Kim's political stronghold, in 1941, Pak began to teach at SNU [Seoul National University] in 1971. He earned his Ph.D. in economics from Indiana State University in 1974.

Kim has been receiving lessons on economics from Han Yi-hon, who held high-level posts at the Economic Planning Board [EPB], since early last year.

Kim has also been taught by Hwang Pyong-tai, former assistant economic planning minister and ex-rector of the Hankuk University of Foreign Studies.

Kim is busy talking with businessmen these days to hear their grievances.

Meanwhile, Kim says, if elected president, he will place utmost emphasis on curbing inflation.

Kim has set a goal of holding consumer price hikes at 3 percent annually over the following two years after taking office, according to Han.

Kim's anti-inflation measures include controlling the total money supply (M2) at an "appropriate" level, less expenditures of the government and construction of more homes to ward off a recurrence of rampant speculative investment on real estate.

Official statistics show that consumer prices soared 9.7 percent last year over 1990. The real price hikes, however, were believed to be much higher.

Kim also vows to go the extra mile to turn the current trade deficit into a surplus, as was during former President Chon Tu-hwan's Fifth Republic. To this end, Kim envisages various steps to help Korean industries improve their international competitiveness.

"If the farming industry continues to lag behind other industries, it would burden the national economy," he says.

Besides, Kim says he will work for the promotion of small businesses. The ruling party has already set up a small business promotion committee.

Nevertheless, Kim emphasizes that the importance of "chaebol" or big conglomerates in the national economy should not be ignored at all. He believes conglomerates should be developed to rival top foreign corporations.

"Korean conglomerates will be encouraged to foster their own mainstay businesses. But they will be discouraged from launching new businesses," he says.

He will try to correct the "concentration of economic power" to ensure fair competition between conglomerates and small businesses.

Kim, an advocate of a free market economy, is determined to do away with the government's "unnecessary interference and restrictions."

In his opinion, old-fashioned economy-related regulations and systems, which came into being when the per capita income stood at just \$500, should be revamped to catch up with the new era of democratization and internationalization.

Regarding the controversial real-name system for financial transactions, the DLP [Democratic Liberal Party] presidential candidate believes that the system should be implemented to bring about "economic justice."

"But we should think about how and when to implement the scheme to minimize the impact of its introduction on the national economy," he says.

In other words, unlike his opposition rivals, Kim appears opposed to the immediate implementation of the real-name system.

Most business organizations object to the early introduction of the scheme under which only real names must be used in all commercial dealings.

Observers say, if elected president, Kim Yong-sam will be less hostile to conglomerates, which have served as a financial pipeline to the parties in power, than the current government of President No.

Being a political moderate, Kim is not likely to take revolutionary steps on the national economy, they say.

Lawmaker Hints at Alliance With Yi Chong-chan

SK2506061392 Seoul TONG-A ILBO in Korean
24 Jun 92 p 2

[From the "Tidbits" column]

[Text] Independent lawmaker Chong Ho-yong, attending a meeting of the independent lawmakers group held in Yoido, Seoul, on the evening of 23 June, said: "If Representative Yi Chong-chan leaves the Democratic Liberal Party [DLP], I am ready to discuss our political future." This highlights the possibility that a political alliance may develop between these two lawmakers.

Representative Chong also revealed: "Representative Yi has visited my house on several occasions. I was not, however, in a position to hold in-depth discussions with him since he was a DLP member.

Meanwhile, members of the independent lawmakers group agreed to hold a meeting every Tuesday and to urge the ruling and opposition parties to unconditionally open a special National Assembly session. They also urge deliberation on an amendment to the Local Autonomy Law.

Government To Raise Oil Prices by 13.9 Percent

SK2406134992 Seoul YONHAP in English 1022 GMT
24 Jun 92

[Text] Seoul, June 24 (YONHAP)—The government formally announced Wednesday afternoon that the prices of oil products would be raised by 13.9 percent on the average in factory delivery prices or 13.4 percent in consumer prices. The increased prices would take effect midnight Wednesday, it said.

The announcement said consumer price increases would include 22.7 percent for both plain and unleaded gasoline, 17.6 percent for kerosene and 17.5 percent for low-sulfur diesel.

Under the new rates, the consumer price of gasoline will be upped from the present 497 won (0.62 dollar) to 610 won per liter, that of kerosene from 216 won to 254 won and that of low-sulfur diesel from 182 won to 214 won.

The domestic price of LNG [liquefied natural gas] will be also raised by 7.0 percent from 210 won to 225 won per cubic meter on the average effective July 1 because of its increased import cost, it said.

Central Bank Releases Half-Year Economic Figures

SK2506060692 Seoul THE KOREA TIMES in English
25 Jun 92 p 8

[By staff reporter Cho Chae-hyon]

[Text] The Korean economy will continue to grow slowly in the latter half of the year, as the government policy will place a major emphasis on stabilization over growth, said the Bank of Korea yesterday.

The central bank said that the economy would grow by 7.2 percent during the second half of this year from a year earlier if the government's policy to stabilize the economy, including tight control of total domestic demands and money supply, continues to be on track.

The exports of Korean companies are expected to increase slightly for six months to come because the import growth rate of rich nations expanded from three percent to five percent in the first half.

But, the BOK predicted that the increasing price of international raw materials including oil might have some negative effects on the nation's overall current account balance and domestic consumer prices.

The wage increase is forecast to shrink, but the rising public utility prices and the presidential election around the end of this year is feared to undermine the economic stabilization.

The current account deficit would reach 3.1 billion dollars and the consumer price index would rise by 3.7 percent during the latter half of the year, the central bank said.

The BOK forecast that the gross national product (GNP), which measures the nation's output of goods and services, would post an annual growth rate of 7.3 percent on year-to-year basis this year.

The current account deficit is predicted to register 6.7 billion dollars at the end of this year and the consumer price rate is forecast to rise 8 percent for the whole year.

It said that consumption would go down as assets of companies and individuals are expected to decrease due to the decline of wage increase, sagging real estate business and sluggish stock market.

The central bank said the government should keep its tight control of money supply through the end of this year to hold the growth of total money supply within

18.5 percent. It called upon the government to refrain from expanding extra budget and to reduce the government spending.

It suggested that the promising small- and medium-sized companies be provided with the government's supporting funds to prevent them from going under. The number of bankrupt companies reached 3,370 in the first five months this year, an 80 percent increase compared with the same period last year.

The bank noted that the supporting steps should be based on long-term policies such as leading them to improve their industrial structures.

It also emphasized the need of reforms of financial infrastructure to prop up the national economy in face of the era of the financial market deregulation.

The BOK said the government should accelerate the speed of interest rate liberalization and correct the distortion of financial market structure by adopting indirect control of money flow.

Meantime, the BOK predicted the first half would see 7.4 percent growth rate for the GNP and 4.2 percent increase for the consumer price index over a year earlier.

Especially, the domestic demands went down sharply in the first half and construction investment also plunged to three percent, compared with 15.7 percent for the corresponding period last year.

Private consumption and facility investment decreased to 8.4 and 8.3 percent respectively in January and June. But the figures still hover about the economic growth rate of 7.4 percent.

Consumer prices expanded 4.2 percent in the first six months from 7.2 percent of the same period last year. The total money supply grew 18.4 percent in the January-May period, well below the government's target range of 18.5 percent.

The trade account recorded a 2.5 billion dollars deficit in the first half compared with a 4.8 billion-dollar deficit for the corresponding period last year.

Brunei, Malaysia & Singapore**Malaysia****'Neutral Mechanism' Urged for Cambodian Solution***BK2506085192 Kuala Lumpur Voice of Malaysia
in English 0600 GMT 25 Jun 92*

[Text] Malaysia has proposed that an independent and neutral mechanism be set up to resolve any related problems according to the contents and interpretations of the Paris peace accord. This is due to the reluctance of the Khmer Rouge factions to implement the disarmament program which had been agreed to by all parties in Cambodia.

The minister of foreign affairs, Datuk Abdullah Ahmad Badawi, made the proposal at his meeting with the Supreme National Council members and the foreign minister of Cambodia, Mr. Hor Namhong, at the Ministry of Foreign Affairs in Kuala Lumpur today. During his courtesy call on Datuk Abdullah Ahmad, Mr. Hor outlined the present situation in his country, particularly the steps taken to implement the contents of the Paris accord. According to Datuk Abdullah, the mechanism should be decided jointly by Indonesia and France as both the nations are neutral on the matter and have a better understanding of the accord.

Troops Deployed To Western Area*BK2606084592 Kuala Lumpur BERNAMA in English
0757 GMT 26 Jun 92*

[Text] Kuala Lumpur, June 26 (OANA/BERNAMA)—Malaysian troops serving with the United Nations peacekeeping force in Cambodia have been deployed to cantonment sites in the western part of the country to take part in operations to disarm the warring factions.

"They have moved to the cantonment sites since June 13," acting Chief of Army Lt-Gen Borhan Ahmad told reporters after briefing 17 officers and other ranks who will be dispatched to Cambodia on Sunday.

He said they would join UN troops from other countries in carrying out the delicate task of disarming the combatants and placing them in the cantonments.

The seven officers and 10 military police personnel are part of the additional manpower requested by the UN from Malaysia.

Lt-Gen. Borhan said none of the Malaysian troops were caught in the recent fighting between Khmer Rouge guerrillas and the Phnom Penh government troops or injured by land mines.

Phase two of the UN peacekeeping operation which begins this month calls for the disarmament of the warring factions but it is being held up due to the refusal of the Khmer Rouge to surrender their weapons.

In phase one, Cambodian refugees in Thai border camps were repatriated.

Lt-Gen. Borhan said the latest batch of men formed part of the 160 additional personnel requested by the United Nations to beef up the military component of the UN Transitional Authority in Cambodia (UNTAC).

At present, a total of 993 Malaysian troops are serving with the UN peacekeeping forces in Cambodia in various capacities. For the most part, the Malaysian battalion of 850 men is deployed throughout Battambang Province in the western part of the country.

Badawi Holds Talks With Australian Official*BK2606063692 Kuala Lumpur BERNAMA in English
0403 GMT 26 Jun 92*

[Text] Kuala Lumpur, June 26 (OANA-BERNAMA)—Australians, happy with the improved relations between their country and Malaysia, are hopeful of continuing to build upon the "new" friendly foundation.

Australian parliamentary secretary to the prime minister, Laurie Brereton, said here Thursday there was now widespread understanding among the Australian business sector of the enormous opportunities from working together with Malaysia.

Between 100 and 200 Australian companies were now actively searching for joint ventures in Malaysia, particularly in hotel management, education, oil exploration and manufacturing, he told reporters after meeting Foreign Minister Abdullah Ahmad Badawi at his office here.

Brereton, described by the Australian media as Prime Minister Paul Keating's right-hand man, is leading a six-member delegation consisting of government and opposition members of the Australian Parliament, to further improve Canberra-Kuala Lumpur ties.

Describing the discussions with Abdullah as "constructive, frank and friendly", Brereton, the member of parliament for Kingston-Smith, said a wide range of issues were covered "to develop a series of measures to guarantee closer relations in future."

"We finished the meeting with a very hopeful note that in 12 months' time we will be able to look at a series of the measures involving exchanges of visits by members of parliament and young leaders of both countries," he said.

Describing Malaysia as an economic powerhouse, Brereton said the meeting agreed on the need to encourage joint ventures using Australian technology and Malaysian workforce.

Brereton said the visiting members of parliament would also be meeting Australian businessmen in Malaysia with a view of expanding the opportunities.

Acknowledging the fact that relations between Australia and Malaysia were strained some time back when the

government-owned Australian Broadcasting Corporation screened the drama series "Embassy" and later the movie "Turtle Beach", Brereton said there were no longer negative reports in the Australian media about Malaysia.

Holding aloft a local newspaper report stating Australia's big investment jump in Malaysia, Brereton said the delegation was delighted to read a number of constructive reports about Australia in the Malaysian press.

"One of the things that we'll be taking back is the need for Australian journalists to pay as much attention in their everyday reporting of Malaysia as we have seen in your press," he said.

Navy Detains Three Thai Trawlers, 20 Fishermen
BK2406093692 Kuala Lumpur BERITA HARIAN in Malay 19 Jun 92 p 4

[Text] K.D. [Royal Ship] Keris, a patrol ship of the Royal Malaysian Navy, detained three foreign trawlers for illegal fishing in the South China Sea yesterday afternoon.

Mohamed Shah Abdul Hamid, director of the Terengganu State Fishery Department, said that the first boat was detained 85 nautical miles off the Terengganu coast at about 2 pm.

The two other boats were detained 95 nautical miles away about 20 minutes later.

He said that 20 foreign fishermen, including three skip-pers were detained during the operation in Malaysian waters.

He said that one of the boats bearing the name "Prakcha-let Samut 9" sank while being towed to Cendering Port near here yesterday.

However, he said that six fishermen from the boat were rescued by K.D. Keris personnel.

He said that the Thai fishermen would be charged in court in accordance with Section 15 (1) (A) of the Fishery Act 1985.

Fleeing Aceh Refugees Request UN Assistance
BK2506021092 Singapore THE STRAITS TIMES in English 23 Jun 92 p 21

[By Kalimullah Hassan]

[Text] Kuala Lumpur—More than 40 Acehnese from Sumatra fleeing alleged atrocities by the Indonesian armed forces yesterday set up camp at the UNHCR office here and said they would not budge until they were granted political asylum.

Their spokesman, Mr Basri Ismail, who spoke briefly to reporters through the locked gate of the United Nations

High Commissioner for Refugees office said there were women and children in the group.

He said they had arrived in Malaysia in small batches over the last three weeks. But he refused to say where their landing points were.

He confirmed that they had sought political asylum and had informed the UNHCR officials that they would not leave until they were allowed to depart for a third country or given residence in Malaysia.

Guards at the UNHCR office said they had been instructed not to allow newsmen to speak to the Acehnese.

Mahathir Returns Home From Rio Summit 20 Jun
BK2006072692 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Jun 92

[Text] Prime Minister Datuk Sri Dr. Mahathir and his wife Datin Sri Dr. Siti Hasmah returned home this morning from Rio de Janeiro in Brazil where he attended the Earth Summit. He left for Rio on the 9th of this month to join 130 kings, presidents, and prime ministers at the biggest environmental conference organized by the United Nations. Besides addressing the plenary session, Datuk Sri Dr. Mahathir held discussions with his counterparts from several countries. He also met representatives of non-governmental organizations and the foreign press to clarify Malaysia's forest policy. Malaysia regards the 12-day conference as a success [words indistinct] the summit managed to gather world leaders to discuss the question of environment.

Singapore

Lee Kuan Yew Supports Tokyo on PKO Bill
OW2206143192 Tokyo KYODO in English 1344 GMT 22 Jun 92

[Text] Tokyo, June 22 KYODO—Former Singaporean Prime Minister Lee Kuan Yew voiced support Monday for Japan's participation in United Nations peace-keeping operations [PKO], but stressed Tokyo should also maintain its security alliance with the United States.

Japan's success has been based on the Japan-U.S. security alliance and altering the arrangement would be unwise, Lee told Prime Minister Kiichi Miyazawa and members of his private advisory group on the Asia-Pacific region in the 21st century.

"The security side of the alliance will need little change as long as the U.S. is able to preserve its role," he said.

To promote regional stability, Lee also suggested that Japan develop enduring relations with China and strengthen its ties with Southeast Asian countries, a spokesman for the group said.

But Lee said Japan would have to conduct more open discussion at home on its World War II record if it is to earn trust from its neighbors, the spokesman said.

Forty-seven years after Tokyo's defeat, Japan remains reluctant to acknowledge the extent of its past aggression and to clearly accept responsibility, Lee was quoted as saying.

Lee also urged Japan to take the lead in maintaining an open free trade system and to boost its participation in United Nations agencies, the spokesman said.

The senior statesman noted Japan's plan to join peace-keeping operations in Cambodia as a constructive example of its expanded UN role.

Miyazawa's 18-member roundtable on the Asia-Pacific region in the 21st century agreed at its second meeting to form subcommittees on political and economic relations, and history to prepare a report for delivery late this year, the spokesman said.

The group is expected to hear from former U.S. Secretary of State Henry Kissinger at a future meeting.

Direct Link With Indonesia To Counter Piracy

BK2506132792 Singapore THE STRAITS TIMES in English 25 Jun 92 p 1

[By Dominic Nathan]

[Text] A direct communication link between the navies of Singapore and Indonesia has been established, a move which will help in the coordination of anti-piracy patrols expected to begin in August.

With the link, staff from the two navies can now communicate directly with each other by radio at any time. This was disclosed yesterday at the signing of an agreement on the link.

The Ministry of Defence said yesterday that the communications tie-up, which comes into immediate effect will also be useful in coordinating Search and Rescue operations, visits and exercises between the two navies.

It will also allow for the exchange of information on anti-illegal activities at sea and Republic of Singapore Navy [RSN] gun-firing practices at the Pulau Kayuara Naval Gunfire Support Range in Indonesia.

Details of the joint anti-piracy patrols are still being worked by the defence ministries of the two countries.

Rear Admiral Yusuf Effendi, Commander-in-Chief of the Western Fleet, who signed the agreement on behalf of the Indonesian Navy, said that both sides hoped to be able to cope with the piracy problem once the joint patrols begin.

The direct radio communications link was established between the RSN's Fleet Headquarters at Pulau Brani and the Indonesian Navy's base in Tanjung Pinang.

Previously, communications links were only established as and when required for exercises, visits or other activities involving co-ordination between both navies.

Yesterday's signing ceremony was witnessed by the visiting Indonesian navy Chief of Staff, Vice-Admiral Muhamad Arifin, and Singapore's Chief of Navy, Commodore Teo Chee Hean.

Following the signing ceremony, the two chiefs, in a symbolic gesture, made the first radio contact with navy officials at the Tanjung Pinang base. Mindef [Ministry of Defense] said that the agreement marks an important milestone in the development of bilateral co-operation between the two navies.

Speaking to reporters later Rear Admiral Effendi said: "We can now contact each other directly. It will be very useful for maintaining the good relations and also militarily speaking for conducting Search and Rescue operations, visits, and also to support future co-ordinated patrols."

RSN Fleet Commander Colonel Hoon Sian Hock, who signed the agreement on behalf of the RSN, said that the idea to have direct communications was mooted by the two navy chiefs when they met last year.

Said Col Hoon: "We have just formalised it. We are now just a phone call away. This will enhance more opportunities for interaction."

Touching on relations between the two navies, he said: "We have always enjoyed excellent relations with the Indonesian navy from the chiefs down to operational level as well."

He cited the regular series of naval exercises and training visits between the two navies as some existing areas of co-operation.

The next area of co-operation will be in anti-piracy efforts. Yesterday's announcement of joint patrols comes after high-level delegations from the Singapore and Indonesian armed forces held discussions last month on measures to solve the piracy problem. A joint statement issued then said that both countries were concerned about the rising number of attacks on ships especially in the Phillips Channel.

A report on the problem, just released by the United Kingdom-based International Maritime Bureau, has identified the waters stretching from the northern tip of Sumatera through the Malacca and Singapore Straits, Phillips Channel and beyond as the single-most dangerous stretch of water internationally.

There were over 200 attacks there last year, compared to 60 in 1990 and three the year before. So far this year, there have already been 50 attacks.

Contractors Secure Construction Projects in SRV

*BK2506134392 Singapore THE STRAITS TIMES
in English 25 Jun 92 p 40*

[Text] Singapore contractors have clinched more than U.S.\$100 million (S [Singapore] \$161 million) worth of building jobs in fast-liberalising Vietnam since the lifting of an investment embargo late last year.

Mr Kong Mun Kwong, president of the Singapore Contractors Association Limited (Scal), said these building contracts were won by only a handful of local contractors like L&M Group Koh Brothers and Lim Kah Ngam. However, more opportunities were likely to emerge with the signing yesterday of a memorandum of understanding between Singapore contractors and their Vietnamese counterparts, he said.

In addition, Vietnam was also offering Singapore companies a package of property and infrastructural development projects running into billions of dollars. Mr Kong said the Vietnamese government had presented Singapore companies a list of 900 approved projects.

"It's like a shopping list. We can choose from the list of projects that we might be interested in," he said.

The estimated cost of projects in southern Vietnam alone amounted to about U.S.\$2.3 billion. Projects in northern Vietnam were estimated to cost more than that.

Developers, on the other hand, had not moved into Vietnam as fast as contractors. Mr Chia Boon Pin, executive director of the Real Estate Developers' Association of Singapore (Redas), said many investment projects were still being negotiated. However, he could not provide any details.

Scal and Redas yesterday signed a memorandum of understanding with Dr Nguyen Manh Kiem, Vice-Minister for Construction, who is in town this week as the leader of Vietnam's first mission to woo Singapore investments from the construction sector.

Among other things, the Vietnamese minister has agreed to foster and support measures for investments, the exchange of technology, financing arrangements and joint ventures.

Foreigners Control 75 Percent of Business Assets

*BK2406104592 Singapore THE STRAITS TIMES
in English 24 Jun 92 p 39*

[Text] Foreigners controlled almost three-quarters of all business assets in Singapore, with most of their investments concentrated in the financial sectors.

But in terms of shareholders' equity, locally-controlled companies owned \$36.1 billion or 30 per cent of all shareholders' equity in Singapore as at end-1989.

Data released yesterday by the Department of Statistics showed that foreign-controlled companies in Singapore

owned assets worth \$640 billion at the end of 1989. Those under local control held \$242 billion.

The department said the huge gap was due to the "large and highly-liquid assets" that the many foreign banks in restricted and offshore banking businesses had "by virtue of their operations"

In 1989, foreign-controlled companies in the financial sector alone had \$551 billion in assets.

The sector accounted for 86 per cent of all foreign-controlled assets in Singapore or 62 per cent of all assets here.

If the sector was excluded, the total assets of locally-controlled companies would exceed those of foreign-controlled entities by 22 per cent, said the department.

In the non-finance sector, local companies' assets totalled \$108.4 billion against \$88.7 billion for foreign groups.

From 1980 to 1989, the number of companies in Singapore increased at an average annual rate of 6.6 per cent. The number reached 34,653 at the end of 1989.

The amount of capitalised funds increased more than three-fold. Total assets grew nearly four-fold. This works out to an average annual growth rate of 16 per cent for capitalised funds and 17 per cent for assets.

Twenty-two per cent of all companies in Singapore were foreign-controlled. This figure was stable throughout the 1980 to 1989 period.

But foreign-controlled companies accounted for between 29 to 36 per cent of total shareholders' equity and 66 to 75 per cent of total assets in the corporate sector over the decade.

UN Trade Ban With Yugoslavia in Force

*BK2406122792 Singapore THE STRAITS TIMES
in English 24 Jun 92 p 40*

[Text] Singapore's ban on trade with Yugoslavia has been in force since last Friday [19 Jun].

The Trade Development Board [TDB] said yesterday a statement on the ban was issued to all traders and carriers following a Foreign Ministry statement earlier this month that Singapore had taken steps to implement United Nations Security Council Resolution 757 which was adopted on May 30.

The TDB last Friday reminded all traders and carriers that the prohibition of imports and exports (Yugoslavia-Serbia and Montenegro) order 1992 took effect immediately.

The ban excluded food and medicine supplied for humanitarian use and subject to prior approval by the UN Sanctions Committee.

Last year bilateral trade between the two countries shrank 35 percent to \$184.93 million [Singapore dollars], comprising 0.1 percent of the Republic's total trade.

Cambodia

Hor Namhong Discusses Dealing With Khmer Rouge

*BK2506132592 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1100 GMT
25 Jun 92*

["Report on visit to Malaysia by His Excellency Hor Namhong, member of the Supreme National Council of Cambodia and foreign minister of the State of Cambodia"]

[Text] His Excellency [H.E.] Hor Namhong, member of the Supreme National Council [SNC] of Cambodia and foreign minister, arrived at Kuala Lumpur International Airport on 23 June 1992 at 2000 Malaysian time.

Welcoming him at the airport were Tan Sri Abdul Wahab, chief of the Protocols Department of the Malaysian Foreign Ministry, and a number of officials.

During his visit, H.E. Hor Namhong attended the sixth Asian-Pacific roundtable conference on Cambodia's future under the thesis: "Where Are the Hopes and Fears" organized by the Malaysian Institute of Strategic and International Studies.

French delegate Minister Kiejman, representative of the cochairman of the Paris conference on Cambodia, was also present. Attending the conference were diplomats, academicians, journalists, and politicians.

On that occasion, H.E. Hor Namhong said the implementation of the Paris agreement had reached an acute stage because the Khmer Rouge refused to respect and implement the second phase by setting two conditions, that is the continued presence of the Vietnamese troops and demanding that the SNC be given the right and power of a government.

Concerning the presence of the Vietnamese troops, H.E. Hor Namhong said that the UNTAC [UN Transitional Authority in Cambodia] had already conducted an investigation and affirmed that there were no Vietnamese troops in Cambodia.

As for the SNC's governmental power, it was not mentioned in the Paris agreement.

The foreign minister stressed that the Khmer Rouge's refusal to implement the second phase of the cease-fire was thus a violation of the Paris agreement.

The foreign minister added: Moreover, the Khmer Rouge violated the cease-fire nearly everyday and banned the UNTAC from entering their zone.

Concerning the possibilities for a solution, H.E. Hor Namhong was of the opinion that there might be three possibilities, that is:

1. Condemnation of the Khmer Rouge by the UN Security Council.
2. Reconvening the Paris agreement in order to consider excluding the Khmer Rouge from the solution.
3. Change the task of UNTAC so that the UNTAC forces have the right to fight back.

The minister stressed further that we should make every effort to maintain the Khmer Rouge within the framework of the solution. But if, finally, we don't have other alternatives, action should be taken because this second phase cannot be delayed forever and because this second phase was the critical stage of the comprehensive implementation of the agreement.

H.E. Hor Namhong also noted the urgent need to restore the agriculture, health, education, and the communications infrastructure as a foundation for Cambodia's development in the future.

To emphasize this need, the minister cited the appeal of the UN secretary general and the Tokyo conference which was held on 22 June and was a big success.

Before concluding, H.E. Hor Namhong called on Malaysian investors to invest in Cambodia in various fields, such as agriculture, rubber plantation, light industry, and tourism.

On that occasion, his excellency also spoke on Cambodia's future foreign affairs which will aim to seek as many friends as possible and contribute to the ASEAN community in order to consolidate the defense of security and development.

Chea Sim: KR Have No Intention To Seek Peace

*BK2606063592 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
25 Jun 92*

[Text] On the morning of 25 June, Mr. Chea Sim—chairman of the Cambodian People's Party [CPP] Central Committee, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense—accompanied by a number of officials from Phnom Penh, paid a visit to Buddhist monks and nuns and people at Chroy Changva Commune in Russei Kev District, Phnom Penh city and handed over a cash donation from the government for the construction of monasteries, mosques, school buildings, and so on in the locality.

Chairman Chea Sim was warmly welcomed by the gathering and his presence was considered a fine gesture illustrating the close relations between the top leadership and the people. He greeted and chatted with our fellow compatriots who have, all the time, strived to surmount

all manner of obstacles to improve their living while participating with the CPP in various social activities.

We still remember the devastation and carnage against the nation and people committed by the Polpotist assassins during their heyday between 1975 and 1978. And on this topic Chairman Chea Sim said: Over the past 13 years we have joined hands to rebuild the country starting from scratch and achieved modest progress. We are now totally free to earn a living, venerate religions, and decide the fate of the nation. He also spoke about the political task of implementing the Paris accord in Cambodia with a view to putting an end to the conflict, thereby restoring peace to Cambodia.

Chairman Chea Sim clearly pointed out that the State of Cambodia side has genuine goodwill in the search for peace for our people and has also fully abided by the accord. However, another party, the Khmer Rouge [KR], has not the least intention of seeking peace. They have breached the agreement worked out by the United Nations by forwarding a great many unreasonable proposals to the UN Transitional Authority in Cambodia.

As for the presence of Vietnamese troops in Cambodia, dissolution of the government prior to elections, and power sharing, he said there is no mention of these matters in the accord. However, he added that he wanted peace and to see Cambodians reach reconciliation without enmity.

Mixed Military Team Meets Without KR 22 Jun

*BK2506122492 Phnom Penh SPK in English
1100 GMT 25 Jun 92*

[Text] Phnom Penh SPK June 25—Cambodian mixed military team met here Monday, 22 June, without the participation of Khmer Rouge [KR] military representative.

The meeting, under the chairmanship of French General Michel Loridon and attended by representatives from the State of Cambodia, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and KPNLF [Khmer People's National Liberation Front], focused on important issues: truce violation, military cantonment, food supply and transport of other necessities by UNTAC [UN Transitional Authority in Cambodia] to soldiers in cantonment as well as the installation of a radio communication station for UNTAC on Bokor hill top in Kampot Province.

On the recent aircraft incident which slightly injured a Russian pilot, the representative of the State of Cambodia stated that the incident took place over western O Pou where the KR military activities were noted.

He said the Armed Forces of the State of Cambodia were spreading along Route 12 while the KR were taking moves in the jungle on both sides of the road.

Thus, no reasons to charge the faction of the State of Cambodia with sparking hostility against U.N. peace-keeping forces in Cambodia, he said.

Up to now, 6,858 soldiers of the State of Cambodia, 644 of KPNLF and 100 others of FUNCINPEC have been regrouped in cantonment, according to UNTAC representative.

KPNLF and FUNCINPEC said that they would continue the cantonment and in the future FUNCINPEC would gather its 4,000 men in Kon Kriel, Samraong District, Siem Reap-Oddar Meanchey Province.

On the transportation of food and other necessities to supply troops in cantonment, 12 tons of food and materials have been reportedly delivered to cantonment centre in Ratanakiri.

While asking the Armed Forces of the State of Cambodia to continue food transportation as planned, UNTAC also requested FUNCINPEC and KPNLF to send two representatives from each faction to discuss the food supply to its own faction.

The faction of the State of Cambodia also agreed on UNTAC proposal to set up a radio communication station and expressed readiness to cooperate with UNTAC in this matter.

KR Offers Soldiers Incentive To Down UN Planes

*BK2506133792 Phnom Penh SPK in French 1113 GMT
25 Jun 92*

[Text] Phnom Penh 25 Jun (SPK)—The military chiefs of the Khmer Rouge [KR] promised 3,500 dollars to any of their men who would shoot down an UNTAC [UN Transitional Authority in Cambodia] aircraft, according to the State of Cambodia's Commission for Military Coordination with the United Nations.

The same source specified that on 16 June during troop assemblings in Banteay Meanchey Province, KR military commanders on two occasions overtly declared: "The forces of Democratic Kampuchea shall not lay down their arms and they shall not grant access into their zones to UNTAC unless the UN officials carry a paper issued by Mr. Khieu Samphan."

A week earlier, on 10 June 1992, the KR did not give landing permission to a plane of the blue helmets coming to take control of their forces in Dambe District, Kompong Cham Province, said the source who recalled that on 21 June an UNTAC helicopter was strafed by KR machine gunners when it overflew the O Pou region traversed by national Route 12.

The KR have blocked the peace process in Cambodia by refusing to cooperate with the UN peacekeeping forces in implementing the second phase of the cease-fire, saying that Vietnamese combatants still remain in Cambodia, without giving any proof to back up their claim.

Besides, Prince Norodom Sihanouk, chairman of the Supreme National Council of Cambodia (SNC), and Mr. Yasushi Akashi, chief of UNTAC, have also declared that such a problem did not exist.

UN Pilots Demand Protection

BK2606052492 Hong Kong AFP in English 0516 GMT 26 Jun 92

[Text] Phnom Penh, June 26 (AFP)—U.N. helicopters are being shot at on a daily basis in Cambodia, and the pilots flying them want flak jackets and guns to protect them.

Since Sunday, U.N. helicopters have been attacked once a day with only one day of respite. The latest incident came Thursday, when a helicopter's belly took a single bullet from a small caliber weapon while landing at a border checkpoint in upper northwest Cambodia.

The U.N. helicopter crew—60 Russian pilots working for a private Canadian company called Skylink—threatened to go on strike unless they get protective equipment. But they were talked out of it, said Dmitriy Babushkin, from the Ural Mountains in western Siberia.

"Of course we are afraid," he said. "There are no guns for the crew. I don't know what can happen but here everything can happen."

It's not that the pilots are unused to war. Most have flown in Afghanistan and Babushkin flew for two years in Angola "on missions much more dangerous than this," he said.

But there they had means to protect themselves, he said.

"Three days ago we said we wanted to go back to Russia because there was no money, no security for our families if we die here," he said.

If they left, it would be at their own expense, they said.

And after having flown for a full month in Cambodia, none has received his monthly salary.

"We don't have any money," he said.

The pilots are supposed to receive 500 dollars per month, plus a daily food allowance that has not been given since Tuesday, he said.

No Skylink officials could immediately be reached for comment.

KPNLF Official Discusses Vietnamese Presence

BK2606092392 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 25 Jun 92

[Interview with Ieng Muli, secretary general of the Executive Committee of the Khmer People's National Liberation Front, first vice chairman of the Buddhist Liberal Democratic Party, and member of the Supreme National Council of Cambodia, by station correspondent Leng Loeung in Phnom Penh on 17 June—recorded]

[Text] [Correspondent] I am a correspondent of the Voice of the Khmer [VOK]. My respects to His Excellency Ieng Muli, secretary general of the Executive

Committee of the Khmer People's National Liberation Front [KPNLF], first vice chairman of the Buddhist Liberal Democratic Party [BLDP], and member of the Supreme National Council [SNC] of Cambodia. The implementation of the second phase of the cease-fire accord and its obstruction stemming from the refusal by the Democratic Kampuchea faction to hand over their arms to UNTAC [UN Transitional Authority in Cambodia] have seen the Khmer Rouge accusing UNTAC of failing to verify that all Vietnamese troops have left Cambodia while the other three factions have not raised any objection to this issue. What is your opinion?

[Ieng Muli] Thank you, Mr. Leng Loeung, representative of VOK, for raising this important question so I can clarify it for our compatriots as this issue is very important and vital to the survival of our nation because the implementation of the Paris accord is very significant. Moreover, since the accord that we signed on 23 October 1991 endured so many difficulties and obstacles, blocking its implementation is of great concern to all of us. On this issue, I would like to inform our compatriots that after signing the accord, all factions agreed to hand over authority to the United Nations to implement the accord along with the Cambodian factions. All of us must cooperate with UNTAC to enable it to correctly implement the peace plan. In this implementation, obviously, there are many tasks for us to carry out, such as, first, to verify and investigate to see whether the Vietnamese are still present in Cambodia and second, to create a neutral environment to allow our people to hold free elections without coercion or threat from the powers that be and without pressure from the police of any faction. This means that each party has the freedom to fulfill its electoral duties inside Cambodia. All that, in principle, is what the United Nations must do in our country.

On our side, we believe that all parties must support the United Nations, help the United Nations, and facilitate conditions for it to implement the accord. In this case, our faction also understands the important question raised by Democratic Kampuchea. However, we must first respect the accord that we have signed by handing over the mandate, the duties to the United Nations. We continue to demand that the United Nations set up a body to seek and verify Vietnamese troops hidden in Cambodia. For this reason, just recently I proposed during the SNC meeting that the United Nations should help by issuing identification cards to all Vietnamese nationals inside Cambodia first so that we can know exactly how many Vietnamese are really living in our country and where they are actually living and second so that we can set apart the Vietnamese civilians working and living on a humanitarian basis as economic migrants in our country from those Vietnamese nationals clandestinely conducting military operations or intelligence work or those conducting terrorist acts against our nation. This is what we proposed. We hold that all factions must closely cooperate with the United Nations and we do not forget the important question that should

be solved. We must also help find measures to assist the United Nations in implementing this accord, especially in discovering Vietnamese nationals living illegally in our country. We will not allow aliens to violate our territorial integrity and national sovereignty.

We are most concerned that the Khmer Rouge might refuse to cooperate in the implementation of the accord, meaning that the Khmer Rouge might reject the accord altogether. If they reject the accord, it would mean that we will never have security and peace. If there is no security or peace, the United Nations will surely not continue its mission in our country. Without the UN mission, fighting will erupt again between the Khmer Rouge and the Vietnamese together with the government of the Phnom Penh faction. If the fighting resumes and goes on, our hope for peace and happiness will be shattered; we will experience separation and destruction again. For this reason, our faction repeatedly appeals to all Cambodian factions to abide by the accord. We also demand that the United Nations continue the search and take measures to prevent the presence of Vietnamese troops in Cambodia. This is our position and compared with that of Democratic Kampuchea, it can be said that we understand the question about the Vietnamese presence in Cambodia and we demand that the United Nations help solve it, but we do not obstruct the UN efforts to implement the accord in Cambodia. On the contrary, the Democratic Kampuchea faction has used the Vietnamese presence as a precondition for the UN implementation of the accord. That is the current situation facing us.

[Correspondent] According to the opinion of most Cambodians, the Khmer Rouge refuse to implement the accord because they want to see all Vietnamese troops leave Cambodia, but this can hinder the implementation of the accord. However, it is also believed that the presence of hidden Vietnamese forces in Cambodia constitutes a major danger. Would you please explain and separate the two dilemmas?

[Ieng Muli] Concerning the Vietnamese troop presence, our compatriots must have learned that Vietnam officially announced that its forces had left Cambodia in September 1989. Therefore, officially there must no longer be any Vietnamese troops in Cambodia. However, we have learned that after making that announcement Vietnam introduced civilians into Cambodia and among these civilians are those who continue clandestinely to conduct military operations. In implementing the accord, which stipulates that all foreign troops must be pulled out of Cambodia, certainly Vietnam would strongly argue that none of its troops are left in Cambodia. Otherwise, it would be lying to itself and to the international community, since it said that it had already pulled them all out. Nevertheless, Vietnam could have surreptitiously sprinkled its troops in among the civilians who are making their living as mechanics, workers, and fishermen. It is these people that our faction has asked the United Nations to verify and re-identify. Moreover, it should be understood that the Vietnamese

nationals, like all other aliens, do not have the right to enter Cambodia freely without passport or visa. We demand that all aliens respect our law, the law of the Cambodians, the law of the SNC, who are the masters of the country. This is our stance concerning the Vietnamese.

In this connection, I would also like to stress that we will closely look into the right of the former Vietnamese residents to come back and live in Cambodia again. Do these Vietnamese have the right to return and live in Cambodia? Legally speaking, let me recall that since 1972 no Vietnamese has had the right to live in Cambodia. Why? Because in 1972, as all of you know and many of our compatriots may still remember, the government of the Lon Nol Republic negotiated with the Nguyen Van Thieu government [of South Vietnam] and had Nguyen Van Thieu accept the repatriation of all Vietnamese nationals. Therefore, no Vietnamese has any right to reside in Cambodia anymore. As for the so-called Vietnamese survivors, to believe the propaganda of the Phnom Penh faction as well as that of Vietnam, none of them could have survived the massacre of the Khmer Rouge. Consequently, there can be no Vietnamese survivors, except those who have come to Cambodia along with the invading Vietnamese forces in 1979. This is a major problem that we have requested the United Nations to solve quickly to deny the Khmer Rouge the pretext to continue ignoring the accord and to continue fighting, which consequently is detrimental to our people as a whole.

[Correspondent] Thank you, Mr. Secretary General. In conclusion, do you have anything to say to the venerable monks and the compatriots, listeners of our VOK?

[Ieng Muli] I would like to inform the compatriots that our faction is keenly interested in the presence of aliens, especially that of the Vietnamese, in our country. As I have just said, legally speaking, no Vietnamese national has the right to live in our country. However, to believe the claim of the Khmer Rouge, there are now more than 2 million Vietnamese in Cambodia. Therefore, this is a crucial issue for the settlement of the Cambodian problem, of the crisis in Cambodia as a whole. We in the KPNLF faction and in the BLDP are working hard with the United Nations so that measures can be taken to deal with this matter—as I just said—in order to deny the Khmer Rouge the pretext to continue ignoring the accord because our interest, the interest of Cambodia, the interest of our nation rests in the respect for this accord. Only when the accord is respected can there be peace. Only when there is peace can there be elections. If there are no elections, the current regime will remain in power and if it remains in power, the Vietnamese will be allowed to live in Cambodia freely. And we do not want this. The Vietnamese may live only if they respect our law, our sovereignty, and our independence, without interfering in our internal affairs. We will continue to study this question in detail.

I would like to take this opportunity to inform our compatriots that over the past few months there has been a smear campaign to taint the prestige and good name of our party. It has been alleged that we promised to offer money—\$200 to \$300—to anyone who wishes to become our party member. The television service of the State of Cambodia is now covering this so-called scandal, reading out lists of petitioners protesting what they purportedly were forced to do in a bid to stick us with the crime of promising \$200-\$300 to any of our brothers who would join us. There is nothing true about that. It is merely slander. Allow me to tell you this: Suppose we now have 25,000 members—which is what we have in the zones controlled by the State of Cambodia—and we give them \$300 each, it would be a total of over \$7 million. I do not know where our party could get that kind of money. On the contrary, our party members are generous enough to contribute 200 riels each to our party for administrative work and the purchase of paper and documents. The party does not promise to give but it gets from the members.

Here again, let me stress that some members have been fleeced of more than 200 riels. Let me also emphasize that our party asks for 200 riels and two pictures only. Anyone who demands more than that must be an imposter. Our party cannot be responsible for the actions of criminals. It is also possible that other parties are doing this in our place in an attempt to discredit us.

UNTAC Activities in Battambang Reported

*BK2606051992 Phnom Penh SPK in English
0416 GMT 26 Jun 92*

[Text] Phnom Penh SPK June 2—So far, 1,073 troops of the United Nations Transitional Authority in Cambodia (UNTAC) have been sent to the northwestern border province of Battambang, 300 km from Phnom Penh, according to the military commander of the province.

The infantry contingent of Malaysia is headed by Colonel Asad whose tasks is to register the number of the Cambodian Armed Forces and its ammunitions in the province.

Major General Van Soheat, commander of the provincial armed forces, said the U.N. troops have reached front-line units of Battalions 2 and 4, both in Don Tri Commune, Moug Russei District, and Battalion 3 in Don Pheou Commune, Bar Vel District.

The U.N. troops were starting the second phase of the cease-fire accord, he added. The second phase is to regroup all of four factions troops, demobilize and disarm 70 percent of them. The major general said the provincial authorities, army and people have created favourable conditions to help alleviate the works of UNTAC.

According to UNTAC sources, UNTAC would deploy soldiers, policemen, electoral teams across the province in the near future. A group of civil administration service

and a special contingent of 1,200 soldiers would be stationed in the provincial town.

More Foreign Banks To Begin Operations Soon

*BK2506041292 Phnom Penh SPK in French 0155 GMT
25 Jun 92*

[Text] Phnom Penh 25 June (SPK)—According to Huy Navy, deputy chief of the Exchanges Department, some 50 foreign companies have expressed their desire to invest in Cambodia's banking sector. Presently, apart from the National Bank the following four banks are also operating in Cambodia: Cambodian Commercial Bank Ltd., a Cambodian-Thai joint venture; Canadia, a mixed enterprise between the State of Cambodia and Cambodian residents in Canada; Campu Bank from Malaysia; and Cambodian Farmer's Bank, a subsidiary of Krung Thai Bank [of Thailand].

In addition, Cambodian Development Bank, Royal Cambodia Bank, and Four Seas Bank, respectively from Hong Kong, Thailand, and Malaysia will soon operate in the Cambodian capital city as well.

Indonesia

Commentary Views New Agreements With Uzbekistan

*BK2506084992 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 25 Jun 92*

[Station commentary]

[Text] Indonesia and Uzbekistan last Tuesday signed four agreements on trade, economic ties, science and technology, and the establishment of diplomatic relations. The signing of the agreements has a special meaning for Uzbekistan in its efforts to restructure all facets of life as a newly independent nation. As for Indonesia, the signing of the agreements is important as a move to further diversify nonoil and nongas exports despite the positive trend of such commodity exports in the last few years.

However, like other sectors, the nonoil and nongas exports are not without obstacles. There are at least five obstacles to the nonoil and nongas exports, especially to the developing South countries. First, the shortage of sea transportation for goods dispatched to Central America, Latin America, Africa, and Eastern Europe. This results in high transportation costs and reduces the competitiveness of our commodities. Second, strict foreign currency control, especially in the African countries, makes payment for goods difficult. Third, there is the requirement to legalize all export documents at their chamber of commerce or embassy in Jakarta, which increases the operating costs of Jakarta exporters and even makes things more difficult for upcountry exporters. Fourth, there is the trend to prefer trade partners from North countries because of their easier payment procedures. Fifth, we have the increasingly fierce competition among both North and South producers.

Because of the existence of these obstacles, entrepreneurs are urged to search for more markets while the government should provide more export facilities, especially in view of the fact that economic growth is targetted at 5 percent annually during the current fifth five-year development plan. To achieve this target, exports must be increased by 11.2 percent annually. Factors that support such efforts include the fact that Indonesia has six potential regional markets in 105 countries for its commodities. The six regions are East Asia (1 country); South and Southeast Asia (16 countries); West Asia and Middle East (14 countries); Africa (47 countries); Central and Latin America (26 countries); and Eastern Europe (1 country).

We obviously hope that the agreements we just signed with Uzbekistan will work to pave the way for similar ties with other countries grouped in the CIS or the former USSR so they will become more prosperous and gain a sense of security despite differences in political ideology.

Suharto Meets French Minister, Cites E. Timor

BK2606091192 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 26 Jun 92

[Text] President Suharto hopes the French Government and businessmen will be able to help build electricity and communications facilities still needed for industrial development in Indonesia. President Suharto said this when he received a courtesy call from French Minister Delegate for Foreign Affairs Georges Kiejman at his residence this morning. The president also briefed the French minister on the development of the industrial sector and other still-needed facilities. The French minister welcomed the president's remarks because French companies are indeed interested in such fields.

Speaking after the talks, Foreign Minister Alatas, who was present during the meeting, also mentioned the president's remarks on the East Timor issue.

[Begin Alatas recording] The French Government's stand is clear from the beginning; that is, it hopes the East Timor issue will be settled through peaceful means. Without imposing its will for a solution, the French minister reiterated his government's stand that it is ready to facilitate I'N-sponsored talks between Indonesia and Portugal. [end recording]

Foreign Minister Alatas noted that during the meeting, President Suharto also thanked the French Government which had worked together with Indonesia to solve the Cambodian problem.

Laos

U.S.-Funded Development Projects To Continue

BK2506094192 Vientiane KPL in English 0858 GMT 25 Jun 92

[Text] Vientiane, June 25 (KPL)—The Lao-American project for integrated rural development in Viangthong

and Houa Meuang districts of northern province of Houa Phan will continue its operation this year, according to an agreement on the continuation of the project signed here recently between the representative of the Ministry of Agriculture and Forestry and the representative of the U.S. Embassy in Laos.

The continued operation of the project will involve the further building of earthen roads with a total length of 100 km—one from Hiam District to Son area of Houa Meuang District, and the other from Houa Meuang District to Pakha area.

Also to be continued are the training of agricultural technicians in agricultural promotion and soil preparation, design and construction of a weir for both irrigation and electric power in Son area, and construction of a hospital in Houa Meuang District. All the costs will be covered by a U.S. dollars 1,364,300 fund, U.S. dollars 64,284 of which is the input of the Lao Government.

During its operation from 1989 to 1991, the project was financed by the U.S. Government's fund of U.S. dollars 1,927,000. The project will last until 1995 with the U.S. Government funding of U.S. dollars 8.7 million.

The fund has been used in rural development activities designed to eradicate poppy cultivation. This will be done through arranging a new opportunity for the local farmers to take up the plantation of crops alternative to poppy.

Meeting Held With SRV Border Committee

BK2606050392 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 24 Jun 92

[Text] Recently, the Border Inspection Committee of Savannakhet Province led by Soukchaseum Phothisan, vice governor of the province, together with other authorities concerned, met with a leading committee of SRV's Quang Tri Province led by (Nguyen Minh Tri), vice chairman of the people's administration of the province and head of the National Border Guidance Committee, together with a number of authorities concerned. In the meeting, the two sides discussed the border issue and means to maintain, ever more effectively, tranquillity and order in the common border of the two provinces.

Following the meeting, the two sides reached unanimity on turning the border into a border of friendship with respect for each other's independence, sovereignty, and territorial integrity and the correct implementation of each country's laws on the basis of maintenance and further strengthening of the Lao-Vietnamese special solidarity.

A further report said that after holding the consultative meeting on the border issue with the Vietnamese side, the Border Inspection Committee of Savannakhet Province proceeded to visit fraternal people of two cantons located in areas bordering Vietnam, namely Tam Louang

Meuangnong and Kengkok, in Sepon District. During the visit, the committee met and chatted with more than 240 local people and businessmen who have run their businesses in the two cantons. In the meeting, the committee discussed border problems in order to enable the fraternal multiethnic people to understand the situation and correctly implement rules, regulations, and laws of the country.

On this occasion, Colonel Sang Laisomphat, member of the party committee, head of the public security command, and member of the Border Inspection Committee of Savannakhet Province, also addressed the meeting. He noted the maintenance of the relations between the two peoples of Laos and Vietnam, the maintenance of peace and order, and the correct implementation of the international law on the basis of the enhancement of the long-standing special solidarity between the peoples of the two countries. He said: To maintain the said solidarity, it is necessary to be vigilant, profoundly understand our party's line and policy, and timely check all schemes and tricks of bad elements who have carried out activities opposing our new system. He also discussed the trade issue. In this regard, he gave an explanation to traders and businessmen, who have carried out their businesses in the two cantons, on measures to prevent and avoid illegal trading activities.

LPA General Staff Team Leaves for PRC Visit

BK2306073192 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 23 Jun 92

[Text] In response to an invitation of the chief of the General Staff of the Chinese People's Liberation Army [CPLA], a delegation of the Lao People's Army [LPA] General Staff Department led by Lieutenant General Ai Souli-gnaseng, member of the Lao People's Revolutionary Party [LPRP] Central Committee, deputy minister of national defense, and chief of the LPA General Staff Department, and a group of military officers attached to the LPA General Staff Department, on the afternoon of 21 June, left for a scheduled two-week friendship and goodwill visit to the PRC.

Seeing the delegation off at the Wattai International Airport were Lt. Gen. Osakan Thammatheva, deputy minister of national defense, and chief of the LPA General Political Department, and a number of high-ranking and medium-level military officers attached to the Ministry of National Defense. Huang Guocai, PRC ambassador to Laos and General (Li Laizhen), PRC military attache to Laos, were also at the airport to see the Lao team off.

Philippines

Ramos Names First Cabinet Members

HK2606090292 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT

[Text] President-Elect Fidel V. Ramos has named some cabinet members and several other key officials.

The first to be named were Rodolfo Reyes as press secretary; Armand Fabella as education secretary; Juan Clavier as health secretary; Roberto Sebastian as agriculture secretary; Jesus Garcia as transportation secretary; Antonio Carpio as presidential adviser on legal affairs; former governor Daniel Lacson as presidential adviser on rural development; Guillermo Parayno as customs commissioner; and Roberto Romulo as foreign affairs secretary.

President Ramos said track record and readiness to sacrifice in order to serve the nation were his main criteria for appointing the officials.

[Begin Ramos recording in English] Well, first of all, the competence, track record, and experience in the positions to which they have been designated; and secondly, their dedication to the cause of good government which shall be based on the empowerment of our people. We will recall that this has been the hallmark of a Ramos leadership and a Ramos administration. I've also talked to them. They have no reservations about making sacrifices in the government service. This is what they will have to undertake because of the difficulty of being in government. I have full confidence in their ability, in their track records, in their expertise, and their capacity to perform the job. [end recording]

Meanwhile, President Ramos also said that he wants to review the relationship between the United States and the Philippines, particularly such issues as the U.S. bases and the economy.

[Begin Ramos recording in English] The economics side, the trade side also, of our relations with the United States needs to be reviewed. We should be getting more details on this in the next two days. [end recording]

New Government Wants To Renegotiate Debt Terms

HK2606020892 Manila Far East Broadcasting Company in Tagalog 0100 GMT 26 Jun 92

[Text] The government will try, under the leadership of President-Elect Fidel Ramos and new debt negotiator Emmanuel Pelaez, to seek better and easier terms for the repayment of the country's foreign debts.

Ramos said Pelaez, a former vice president, is a good diplomat and will be a good negotiator for the country.

He said Pelaez will help the new finance secretary and Central Bank governor. Because of Pelaez's appointment, the finance secretary and other finance officials will be able to concentrate on economic development.

Ramos also said his administration will continue the present government's programs covered by agreements with the International Monetary Fund.

Revision of Foreign Investment Act Urged

*HK2506034192 Manila BUSINESS WORLD
in English 25 Jun 92 pp 1, 5*

[By Maria Gertrudes M. Chavez and Mary Jane O. Llanes]

[Text] The Central Bank [CB] is recommending amendments to the Foreign Investments Act (FIA) to allow foreign investment in still restricted areas.

CB Governor Jose L. Cuisia, Jr. said the current law could stand some improvement.

The FIA liberalizes the country's investment laws by opening up the domestic economy to 100% foreign equity except in areas prohibited by the Constitution and other nationalization laws. But one year to the law's implementation, many in the private sector feel the FIA has not generated enough foreign investments for the country.

According to official data at the Board of Investments (BoI), investments dropped by 58% in the January to May period to P16.9 billion [Philippine pesos] from P38.56 billion posted in the comparable year-ago period.

CB data on foreign capital inflow show a similar trend. In the first four months, registered foreign equity in Philippine corporations contracted by 43.5% to \$84.9 million from last year's \$150.3 million.

Mr. Cuisia believes the Philippines must learn from the experience of Mexico and Chile which are now enjoying huge amounts of foreign investments because of a liberal investment climate. The Philippines, Mr. Cuisia believes, is off to a sluggish start in terms of investments.

Private economists maintain that the new law has not really opened up the desired areas. Sectors included in the so-called negative list are entirely closed to investments of foreigners.

Under the law, foreign investors are allowed entry up to 40% in mining (under the mineral production sharing agreement) and public utilities; 30% in advertising. For the retail sector, print and other media establishments, foreigners are now allowed to invest.

In the insurance sector, foreigners continue to be denied entry. A ranking official of FGU Insurance noted that a lot of foreign insurers are bullish on the Philippine market but are wary of investment laws.

The opening up of the insurance industry is one of World Bank's recommendations to foster competition in the industry.

Among other changes being proposed by the World Bank are the opening up of the market to overseas investments and the liberalization of trust fund activities for raising the minimum capitalization requirement among firms to P25 million.

Prescribed ceilings in the negative list may be dispensed with if the foreign corporation concerned markets at least 60% of total product on to international buyers.

Under the old rule, the export requirement was 70%. It should be noted, however, that many of the sectors in the negative list are basically locally based such that the waiver is not normally exercised.

In addition, one official from the Securities and Exchange Commission indicated that while the FIA has liberalized investment areas, it did not alter existing statutory provisions to allow for increased foreign equity participation.

Mr. Cuisia, however, stressed that the revisioning the FIA are not the end-all and be-all in attracting foreign investments. A lot hinges on creating a stable and conducive environment, he said, adding that the essence of enhancing the image of the Philippines involves addressing the country's twin evils—high inflation and the widening budget deficit.

Comeback

Meanwhile, foreign investors are projected to stage a more dynamic comeback in Philippine business this year after commitments earlier on were held back due to legal questions raised on the constitutionality of the Foreign Investments Act (FIA).

Trade and Industry Secretary Lilia R. Bautista, in an interview, said foreign investors were given solace by a recent Supreme Court decision upholding the validity of the Act with finality.

"Foreign investors were having second thoughts then on whether to invest in areas identified under the Act or not since its validity itself is being questioned by a government official before the court," she said.

She added that what foreigners want is an assurance that there will be no argument that would crop up in their decision to invest.

She said foreigners have learned their lesson from the so-called petroscam where a major investment had to be withdrawn due to policy differences within the government.

The FIA has liberalized entry of foreign investors to areas of economic activity not covered in the negative list—a list of activities where foreign ownership is limited generally to a maximum of 40% of equity capital. The old law required enterprises seeking more than 40% foreign equity to secure approval from the Board of Investments (BoI) before they could venture into their areas of interest.

In its decision, the Supreme Court denied with finality the motion for reconsideration filed by former Bataan Representative Enrique Garcia and the Federation of Philippine Industries. The latter, in his petition, claimed

that the Act defeats the constitutional policy of having a self-reliant economy effectively controlled by Filipinos.

Estrada Agrees To Head Anticrime Commission

HK2606031492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 25 Jun 92

[Text] Vice President-Elect Joseph Estrada has accepted President-Elect Ramos' offer to head the Presidential Anticrime Commission that is to be established. However, Estrada said that he still has to meet with Ramos to determine the extent of his responsibility as head of the crime-busting team and what his commission's relation with the Department of the Interior and Local Government, the National Bureau of Investigation, and the Criminal Investigation Service will be.

At same time, Estrada confirmed that he has accepted Ramos' invitation to hold a joint inauguration at Quirino Grandstand, Luneta on 30 June. Earlier, Estrada planned to hold his inauguration at the Barasoain Church, Malolos, Bulacan, attended by farmers, nongovernment organizations, and ordinary people. Estrada said he decided to join Ramos at the Luneta inauguration to avoid having people think that he is already opposing the newly elected chief executive so early in his administration. He also said Ramos suggested that he ask the Malacanang Protocol Office to invite the six rival vice presidential candidates to the inauguration.

Ombudsman Dismisses Graft Cases Against Ramos

HK2606020992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 25 Jun 92

[Excerpt] [Passage omitted] Ombudsman Conrado Vasquez has dismissed two graft and corruption charges filed against President-Elect Fidel V. Ramos. However, he still faces two criminal cases.

According to Ombudsman Vasquez, he approved the dismissal of the two graft charges based on his office's policy of expediting all the pending cases filed against the next president of the country; however, his office continues to study the two remaining charges to determine if they could be used as bases for impeachment.

The two remaining graft charges facing Ramos are the alleged aborted sale of 20,000 Armalite rifles during the Marcos regime, filed by former Solicitor General Frank Chaves against Ramos, former Defense Secretary Juan Ponce Enrile, and businessman Manuel Elizalde; and the anomalous release of rebel returnee funds several days before the election, filed by Attorney Oliver Lozano.

Supreme Court Prevents Release of Military Rebel

HK2606031792 Manila PHILIPPINE DAILY INQUIRER in English 26 Jun 92 p 7

[By Roy S. De Guzman]

[Text] The Supreme Court yesterday stopped the Court of Appeals [CA] from carrying out a decision ordering the military to release detained Lt. Col. Marcelino Malajacan, a suspected leader of the foiled 1989 coup.

In a temporary restraining order, the high tribunal also directed the appellate court "to cease and desist" from imposing sanctions against Armed Forces Chief of Staff Gen. Lisandro Abadia, Army chief Maj. Gen. Arturo Enrile and the commanding officer of the Fort Bonifacio detention center after the military refused to comply with its order.

Last June 3, the CA's 12th division, headed by Associate Justice Manuel Herrera, criticized AFP [Armed Forces of the Philippines] leaders for detaining Malajacan for the last two years without filing charges in court against him. Acting favorably on Malajacan's habeas corpus petition, the CA directed Abadia and his men to release Malajacan "unless he is being detained for some other lawful cause."

On June 11, the same CA division ruled that its decision had become "final and executory" since the military failed to file a motion for reconsideration before the Supreme Court within 48 hours after its decision was promulgated. It likewise threatened to cite Abadia, Enrile and Malajacan's captors for "contempt of court" if Malajacan is not immediately released from prison.

Instead of complying with the CA's order, Abadia and his co-respondents in the case went directly to the Supreme Court for relief.

Solicitor General Ramon Desuasido, who represented the AFP leaders in the case, claimed the CA "has taken upon itself to legislate on a matter which is beyond its power." He pointed out that Malajacan's original habeas corpus case was earlier dismissed by another division of the CA and should have prompted the 12th division of the appellate court not to entertain the new petition.

Desuasido said the CA erred in ordering Malajacan's release due to its findings that the chief of staff spent "too long a time" in charging him for any offense before a military tribunal.

Desuasido claimed that under the country's laws, the AFP chief was not given a specific time frame to act on cases involving military personnel.

The high tribunal's order was issued by Chief Justice Andres Narvasa with the concurrence of the 14 justices of the high court. It also gave the CA's 12th division and Malajacan 10 days to respond to the AFP leader's position on the case.

Malajacan, allegedly one of the leaders of the 1989 coup, is under preliminary investigation by a military panel for mutiny, murder and conduct unbecoming an officer and a gentleman.

But no case has been filed against Malajacan by the military.

The military has justified Malajacan's continued detention by pointing out that he faces serious charges. It said the delay in Malajacan's case is "understandable" since more than 5,000 such cases are under review by various military panels.

"Confinement of an erring member of the military is a means to ensure that unmilitary conduct does not spread to the ranks of the command," the military also said.

Ramos Promises Military Modernization, Pay Raises
*HK2606132692 Manila Manila Broadcasting Company
DZRH in Tagalog 0935 GMT 26 Jun 92*

[By Andy Verde]

[Text] President-Elect Fidel Ramos told military officers and enlisted men at the 30th anniversary of the Special Airborne Forces that the modernization of the Armed Forces of the Philippines [AFP] will be among his top priorities. The newly elected president of the country added he will also review a pay raise for the servicemen.

[Begin Ramos recording in progress]...would also be modernized. One of the most important aspects of AFP modernization is the modernization of your basic pay. [applause] [end recording]

Fidel Ramos' announcement of the pay raise for the AFP men earned him loud applause. Different officials, retired officers, and enlisted men of the Special Airborne Forces attended the ceremony held on Fort Bonifacio's parade ground.

Thailand

Anan Recommends Electoral, Military Reforms
*BK2606011392 Bangkok BANGKOK POST in English
26 Jun 92 p 1*

[Text] Prime Minister Anan Panyarachun yesterday recommended smaller, single-member electorates and a reduction in the minimum number of candidates needed for parties to contest elections.

Mr Anan said his interim government would lay heavy stress on reducing the role of the military in politics and business, and also on developing a professional army.

He said the changes would have to come about through subtle, behind-the-scenes negotiations.

The premier said the electoral changes would improve the Parliamentary system but his administration would not be able to put them into effect as they would require constitutional amendments.

He said his government would not propose any legislation because it was not elected and could not control Parliament.

Mr Anan also said he had received a letter of congratulations from his predecessor, Gen Suchinda Khraprayun, after his appointment as prime minister.

The prime minister's list of necessary electoral reforms closely match those submitted by Poll-Watch, the independent election monitoring commission which he set up for the March 22 poll.

They include single-member electorates instead of one to three members, smaller electorates, and a reduction in the minimum number of candidates a party must field to contest an election.

Forcing MPs to run in large political parties put them "at the mercy" of party leaders or party organisations, he said.

Poll Watch favours smaller, single-member electorates because they simplify representation and improve the chances of candidates who call on voters rather than simply buying them.

Mr Anan said he had delayed the dissolution of Parliament and an announcement on the election date because he was waiting for the parties to reply formally to his invitation to submit a joint proposal for reforming the election law and he was giving Parliament the opportunity to conclude this week's business.

He refused to say when he would dissolve Parliament but suggested it would be soon. He still wants to see an election in September.

Mr Anan said the parties were unlikely to propose changes in the election law and he would not accept any suggestions which lack the backing of all parties because otherwise he could not be confident the bill would pass smoothly through the Parliament.

The premier said it would be inappropriate for a non-elected government to propose its own bill and be "seen to attempt to change the rules of the game that we do not participate in."

He predicted that the next election would definitely be cleaner, but warned against expecting miracles.

Mr Anan refused to say how he would negotiate changes in the military, but hinted he could work with reform-minded senior officers, including former classmates of Gens Suchinda Khraprayun and Itsaraphong Nunphakdi who were Class 5 graduates from Chulachomklao Military Academy.

He said he saw signs of mental adjustment within the military.

His objective is to "begin the process of demilitarisation of the system and the decommercialisation of the military."

But he will have to tread carefully.

"In our society you must never be seen to impose diktat upon them. Open debate about their role and power is something that's alien to their culture," the premier said.

Mr Anan said he saw his role as taking a middle path between two extremes in a polarised society.

Anan Unsure How To Reduce Military's Trade Role

*BK2606004392 Bangkok THE NATION in English
26 Jun 92 pp A1, A2*

[Text] Prime Minister Anan Panyarachun said yesterday that although it may be possible to reduce the military's role in the trade sector he was unsure what strategies should be used to accomplish this "sensitive" move.

Asked what his government would do to reduce the military's involvement in business, Anan replied: "Can you answer this question for me?"

Anan was earlier quoted by Government spokesman Montri Chenwidyakan as having told a group of businessmen that the military's role, such as in trade, could be diminished.

But Montri said Anan stressed that any move to reduce the business role of officers must not work against the dignity of the military and must not lead to a deterioration of the public's faith in this powerful institution.

Asked later by reporters to clearly explain his statement, Anan, however, said he did not have to do so.

"I don't have to explain. The military has its role. Military officers know what roles they should play now," Anan said.

The prime minister said all organizations must always be ready to adjust their roles in keeping with the continuing changes in society, be they government agencies or large business enterprises.

There is no particular reason behind the idea to reduce the military's role in business, Anan said.

"The issue is being generally discussed. The military itself has also talked about this. It is not a matter that others can change.

"The military has to deal with this matter by itself. Soldiers have brains and morals. They have to take care of this matter by themselves," the prime minister said.

Caution must be taken when talking about reducing the military's role in trade as this is a sensitive issue, Anan said.

Anan yesterday met with 17 businessmen, led by the heads of three powerful private business organizations—the Board of Trade of Thailand, the Federation of Thai Industries and the Thai Bankers Association—to brief them on his government's general policies.

During the meeting, Anan said businessmen should get involved more in politics so that they will not fall

"victim" to a political system in which they are only the "audience," or in which they allow others to have control over them.

"Formerly, businessmen were always off the political stage. But as the business sector becomes bigger, it can easily feel the impact caused by politicians," Montri quoted Anan as saying.

Montri said the prime minister told the business leaders he wanted to see them participate more in politics, not necessarily by becoming MPs, but by rendering more support to political activities.

Anan said that as the new generation of businessmen possessed top managerial ability, he believed they were also able to manage political organizations efficiently as well.

Businessmen should also help study Thailand's political, educational and economic problems and find ways to solve them as well as support the establishment of independent organizations such as Thailand Development Research Institute, Anan was quoted as saying.

Responsible businessmen also must not visit those who stage coups and congratulate them with bouquets, as that was an indication of support for that group of people, Anan reportedly said.

The prime minister also asked businessmen to tell their counterparts, particularly those in the provinces, that the economic policy under his administration remained unchanged from that implemented by his first government.

The provincial businessmen should also be encouraged to support the operations of the poll watchdog committee and at the same time help build up a just political system and instill in the rural people an interest in politics, he said.

Montri said Anan also urged Thai businessmen not to rely on foreign investment. He said it was necessary to create confidence among themselves first before expecting foreign investors to put trust in the country.

The prime minister also reportedly told the business leaders that their efforts to help revive the tourism industry would, in addition to drawing back visitors, have a good psychological effect on and create confidence among foreign investors.

Anan said he was willing to talk with foreign groups considering joint ventures in big projects in order to strengthen their confidence in Thailand's investment climate. But he laid down the condition that the negotiations would not be for the personal benefit of particular businessmen.

Anan said he believed his government would be able to improve economic conditions during its three or four months in office, as the fundamentals of the Thai economy remained strong.

Stapon Kawitanon, secretary general of the Board of Investment, meanwhile, said the meeting of the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) yesterday agreed that the public and private sectors would join in helping to repair Thailand's image.

Stapon said government and private agencies would launch promotional campaigns involving the issuing of newsletters, slogans and posters, sending Thai missions overseas and inviting foreign business representatives to visit Thailand to show them that the situation had already returned to normal.

Funding for the campaigns, however, could reach bt [Thai baht] 100-200 million and Stapon said the JSCCIB had not yet discussed possible sources for the fund.

Military Role in State Enterprises To Be Reduced

*BK2506044192 Bangkok THE NATION in English
25 Jun 92 p B1*

[Text] The Finance Ministry has indicated it will step up the exercising of its shareholder's rights in all state enterprises, including Thai Airways International [THAI].

Informed sources said the Finance Ministry is facing increasing pressure from the public to act and reduce excessive military interference in state enterprises.

Sources said the ministry, in cooperation with the transport and communications ministry, is now holding discussions on the sensitive subject of what to do with the board of directors of military-dominated state enterprises. Most of the agencies are owned by the Finance Ministry.

All top officials who will represent the Finance Ministry on boards of state enterprises will now be assigned based on their capabilities, informed sources said.

Bandit Bunyapana, acting permanent secretary of the Finance Ministry, is likely to be appointed the new chairman of state-owned Krung Thai Bank while his directorship at THAI will be taken over by MR Chatumongkon Sonakun, who is also tipped to be the new director-general of the Revenue Department.

New appointments and promotions at the Finance Ministry are forthcoming because Panat Simasathian, the former permanent secretary, had been appointed the new finance minister.

The top post at Revenue Department will be vacated if Bandit is named the new permanent secretary. Chatumongkon is expected to become the new chief of the Revenue Department, while his current post as chief of the Comptroller-General Department will likely go to Suphachai Phisitwanit.

Due to his political portfolio, Panat also has to resign from the chairmanship of Krung Thai Bank the slot

which is likely to be filled by Bandit. Panat said yesterday that the ministry, the bank's majority shareholder, is looking for a suitable person to be chairman.

Sources said the seniormost official at the ministry is normally chairman of the bank. "Other posts at state enterprises in which the ministry has its representatives will be decided by the permanent secretary. Decisions are made on the basis of personal merits and responsibilities of each of the departments," said one source.

According to sources, Dr Kowit Posayanon is expected to be new chairman of Thailand Tobacco Monopoly replacing Panat, while Bandit's directorship at THAI will likely be taken over by Chatumongkon. Chatumongkon is currently chairman of Government Savings Bank and Bangkok Mass Transit Authority.

Bandit will be the new chairman of the Government Lottery Bureau if named the new permanent secretary, said sources.

Meanwhile, sources said Transport and Communications Minister Nukun Prachuapmo had solicited opinions from members of THAI's top management in a bid to solve both short and long-term problems facing the national-flag carrier.

Aside from solutions to immediate problems which caused a tourism slump following the May political crisis, the ministry has paid attention to longer-term and structural problems, especially the military's excessive intervention in the airline's management.

In this regard, the Finance Ministry, which controls more than 90 per cent of the airline's shares will have to review its role as shareholder, which has long been passive, allowing the air force to play the predominant role.

Sources at the Finance Ministry said the ministry is ready to exercise its shareholder's right to help improve the state enterprise which is floating seven per cent of its shares on the market.

The airline plans to divest up to 30 per cent of its shares to the public in stages. But THAI has run into trouble with the public now demanding that ACM [Air Chief Marshal] Kaset Rotchananin, the Supreme Commander and chairman of THAI, take responsibility for the May 17-20 bloodshed. THAI's staff are also demanding the ouster of Kaset. Foreign tour agencies have also reportedly refused to sell THAI's tickets as the airline is linked to the military which used violence to crack down on pro-democracy demonstrations.

Newsman Allowed To Search Army Installations

*BK2506144592 Bangkok Army Television Channel 5
in Thai 1230 GMT 25 Jun 92*

[Text] Army Secretary Major General Chaturit Phromsakha na Sakon Nakhon this afternoon led members of all branches of the mass media to verify the rumors

which claim that bodies of the people who were killed during the 17-20 May incident were hidden in the premises of the 11th Infantry Division. The division commander facilitated the inspection of the suspected sites.

One of the three major sites which the mass media members wanted to inspect includes the area where a landfill has been taking place for the past four months in preparation for the construction of a new stadium and training ground. The dirt used for filling the site was dug from the eastern part of the compound adjacent to the Army golf course. The second site is located at hole No. 10 of the Army golf course where ground is being leveled for an expansion of the course. The third site includes three wells on the premises of the Army Transport Department.

The mass media members were allowed to closely inspect the suspected sites and excavate the ground. The result of the inspection was that nothing was found, and this should testify to the sincerity of the Army for its part. The Army is always ready to allow any group to search and inspect any suspicious places. Maj. Gen. Chaturit Phrom Sakina na Sakon Nakhon said that the mass media can provide a clear explanation of such inspections to the people.

Paper Calls for 'Professional' Military Leaders

BK2606011192 Bangkok THE NATION in English
26 Jun 92 p A6

[Editorial: "A Professional Top Brass: The Real Cure for Coups"]

[Text] Premier Anan Panyarachun believes that Thai society has reached a point where illegitimate authoritarian rule, of which military dictatorship is one form, will no longer be tolerated in this country. Another coup attempt, he says, would have a disastrous impact on Thailand, which was badly hurt by first the Feb 23 coup in 1991 and much more so by the bloody crisis in Bangkok last month.

Unquestionably last year's coup disrupted Thailand's democratization process and set the country back economically several years. The coup subsequently led to an ambitious scheme on the part of the Class 5 army generals and their allies in the Air Force to install army chief Gen Suchinda Kraprayun, the Class 5 leader, as premier after the March 22 general election this year.

The fierce opposition of the prodemocracy forces and opposition parties to Suchinda's controversial premiership in May did indicate that the people, particularly the relatively better informed urban professionals in Bangkok, were fed up with the illegitimate intervention of the military in national politics. Should there be another coup in the near future, public opposition would certainly be more intense. The leaders of these prodemocracy forces want a nationwide general strike as the

immediate, first response to any future coup attempt. Even Premier Anan seems to endorse such a nonviolent mass action.

But how extensive such a general strike could be remains doubtful. Thais are not really good at any activity that requires a high degree of organizational skill among the leaders and good discipline among the followers. This explains the sorry state in most political parties and labour unions right now.

In the armed forces, however, there is both a well-established organizational structure and tight discipline at all levels of the personnel, except in the top command hierarchy, where military leaders are virtually a law unto themselves. It is at the top level where ideas of coups are conceived and orders given to commanders of combat units to deploy troops.

All past successful coups were staged by top military leaders. The one last year had the backing of commanders of the three military branches, plus the supreme commander and the national police chief. But coup attempts by middle-level officers, like those in March 1977, April 1981 and September 1985, quickly failed when the military top brass rallied their forces to show their disapproval.

In order to ensure that no future coup attempts can succeed, all top command posts should be filled only with professional soldiers who have risen in the military hierarchy on their own merit, rather than on group favoritism or nepotism. A few more good commanders in the right posts could really start weaning the military, particularly the Army, away from unlawful intervention in national politics [as published].

The greatest problem now is how to ease the unscrupulous commanders out of power without provoking them to resist with force. The Anan II administration is struggling with this problem. And so far neither Premier Anan nor Defence Minister Gen Banchoo Bunnak seems to know how to resolve it without creating a new and more serious problem in the armed forces.

While the caretaker government is groping for an ideal solution, the pro-democracy forces should continue to build up their organizations, recruit more members and educate the public on how to promote parliamentary democracy and develop means of turning the political gains of the May crisis into a real, new impetus towards democratization.

These pro-democracy organizations could become an important new factor that unscrupulous military leaders would have to take into account the next time they come under the temptation to try to seize government power. Their presence can be the best defence of Thailand's staggering parliamentary democracy against authoritarian usurpers.

On a longer-term basis, government attention must go to training a new generation of military officers and their

non-commissioned subordinates to learn how to think like human beings and appreciate democratic values, instead of following orders like robots and dismissing democracy as an ideal which people cannot eat.

Deputy Premier To Upgrade Police Antiriot Unit

BK2606005992 Bangkok THE NATION in English
26 Jun 92 p A1

[Text] Deputy Prime Minister Phao Sarasin said yesterday the existing Police Department anti-riot unit was "about as efficient as a toy" and pledged to upgrade it with sufficient manpower and adequate crowd-control equipment.

Pol Gen Phao, in charge of security affairs, said he had instructed Police Director General Sawat Amonwiwat to find out how many policemen would be required and whether the department needed new recruits for the purpose.

"(The Police Department) always shows off (its anti-riot squads). But they are of insufficient number and about as efficient as a toy. They are basically useless," Phao said when asked to comment on the existing anti-riot unit.

The deputy prime minister in charge of security affairs was speaking to reporters after a working luncheon with Prime Minister Anan Panyarachun at Government House yesterday.

He said the government would draw up a long-term plan to acquire sophisticated crowd-control equipment although the essential anti-riot gear could be purchased right away.

Pol Gen Sawat said also yesterday that he had been asked by Phao to draft a set of guidelines on how to boost the efficiency of the Police Department's crowd-control operations, intelligence gathering and decision-making to avoid bloodshed.

The power and scope of responsibility of all involved in anti-riot operations would be clearly defined by law, he said.

"The guidelines will be drawn up based on the recognition that peaceful demonstration is a constitutional right of the people," Sawat said.

Phao has been assigned by Anan to conduct a feasibility study into the proposed upgrading of the police anti-riot unit, which government spokesman Montri Chenwidyakan described as a move to eliminate the role of the military in the suppression of civil unrest to avoid incidents similar to the bloodshed which occurred during May 17-20.

The spokesman said the proposal was initiated by the prime minister who complained of the police force's inadequacy and inefficiency in controlling the crowds prior to the bloody crackdown ordered by the Suchinda Administration on May 17.

He quoted Anan as telling the Cabinet on Monday that unlike anti-riot operations elsewhere, Thai security forces had been particularly violent, to the extent of chasing and shooting protesters during the crackdown last month.

On May 17, the security forces, comprising police and troops, did not use tear gas, which is universally recognized as one of the most effective crowd-control measures, when they confronted protesters on Ratchadamnoen Avenue.

Troops armed with M-16 assault rifles were later ordered to shoot into the crowd in the bloodiest crackdown on the pro-democracy movement since the 1973 student uprising.

According to the official casualty report, some 50 people were killed and hundreds others injured when troops fired on unarmed pro-democracy protesters during the brutal crackdown.

But eyewitnesses say they believe the actual death toll could be much higher than the official report as more than 700 people are still unaccounted for.

Overhaul of Interior Ministry for Election Urged

BK2506040992 Bangkok THE NATION in English
25 Jun 92 p A6

[Editorial: "For Fair Elections: Clean Up the Interior Ministry"]

[Text] Sixty years after the Thai absolute monarchy was transformed into a constitutional monarchy in the bloodless revolution of June 24, 1932, Thailand is still at square one politically. Once again, the nation is awaiting the return of government power to the people, expected when caretaker Premier Anan Panyarachun dissolves the House and calls a new general election.

Premier Anan has ruled out any constitutional amendments during this transitional period. No major legislation is contemplated either, since the Anan II administration does not want to put itself at the mercy of the political bosses controlling the House.

However, the premier has left open the possibility of amending the laws on elections and political parties, but on condition that every proposed change has the support of all 11 parties. That consensus will be very hard to come by. The only thing all the parties can agree to is that they oppose the idea of a powerful poll watchdog set up as a standing, independent public agency. Most of the politicians do not want anyone breathing down their necks during the election campaign, for reasons best known to themselves.

The four opposition parties on Tuesday called for an early House dissolution, instead of prolonging the House session to amend any laws. They seemed to feel that an

early poll would be in their advantage because of the lingering public indignation with the pro-military parties in the Suchinda coalition.

Leaving the electoral laws as they are will have little effect on the upcoming election. Basic electoral rules, whose changes can have real impact, are all written in the Constitution of 1991. Since the Anan Cabinet is not going to propose any constitutional amendments, these basic rules will stay.

However, one significant change that is within Premier Anan's power to initiate is the formation of a new election watchdog body. But the premier has indicated that the new watchdog will have ad hoc status, just like the Poll Watch he set up during his previous administration to monitor the March 22 election.

With or without power, a new poll watchdog can make its presence felt if it receives the active cooperation of the Interior Ministry. In this regard we can take heart that the influential ministry is now in the good hands of Interior Minister Pol Gen Phao Sarasin and his two deputies, Charoenchit na Songkhla and Anek Sithiprasasana.

Many pro-military MPs have actually faulted Anan and Poll Watch for the widespread vote-buying and electoral fraud in the March 22 election. They ignore the fact that the Interior Ministry—which single-handedly holds and supervises all national elections—was firmly under the autocratic control of then minister Gen Itsaraphong Nunphakdi, who was deputy army chief and concurrently secretary-general of the National Peacekeeping Council [NPKC]. The coup makers on the NPKC, it turned out later, secretly backed the pro-military parties in the election in order to use them to nominate their leader, Gen Suchinda Khrapayun, for the premiership.

Now with Premier Anan back at the helm and Phao in the interior minister's post, we can be assured that this caretaker government, unlike the NPKC before the March 22 election, has no hidden scheme to hold on to power beyond the next election. But sincere goodwill is not enough to guarantee a clean and fair election.

Interior Minister Phao must bring into line all senior officials under his control, especially provincial governors, and let them know in no uncertain terms that cheating by election authorities will not be tolerated. We should bear in mind that most, if not all, of the senior officials responsible for the shameful scheme to forge 6.8 million signatures to show "popular" support for the undemocratic draft constitution in November 1991 have remained unpunished. Neither has anyone been held accountable for the forced mobilization of thousands of villagers to attend pro-Suchinda rallies last month.

These senior officials in the Interior Ministry know more than anyone else how votes are bought and election authorities bribed. If they refuse to give up their old habit of unlawfully backing political parties and politicians who can help them advance in their bureaucratic

career, then it is wishful thinking to hope that the next election will be any cleaner than the previous one.

One of the best gifts the Anan II administration can give Thailand to mark the beginning of the 61st year of parliamentary democracy is to clean up the Interior Ministry, particularly by instilling a higher degree of professionalism among all the senior officials directly involved in national elections, so that the country can count on the ministry and its officials to deter vote buying and other fraud. After all, Premier Anan and his poll watchdog will all leave the scene after the next election.

Premier Anan was correct in stressing that he is no angel with a magic wand. He has also warned Thais not to sit on their hands and wait for a "knight on a white horse" to appear and rescue them every time they are in danger.

In order to develop into a stable democracy, Thailand needs a more reliable government bureaucracy that is politically neutral and administratively efficient. As the largest—and probably most corrupt—government agency, and as that directly in charge of local government and elections, the Interior Ministry bears the heaviest responsibility for the recurring failure of the democratization process. Straightening out the bureaucracy at the Interior Ministry is essential to fair elections and a more democratic future in Thailand.

Chat Thai, Samakkhi Tham Face Mass Defections

*BK2606005192 Bangkok BANGKOK POST in English
26 Jun 92 pp 1, 3*

[Text] Two major pro-military parties are facing mass defections as political forces realign themselves in preparation for the next elections.

The Ratchakru faction of the Chat Thai Party may defect en masse to the Puang Chon Chao Thai Party (PCCT) if they fail to lessen the influence of party secretary Banhan Sinlapa-acha, a source in the faction said yesterday.

The Ratchakru faction, so called after the soi in which Chat Thai founders Gen Chatchai Chunchawan and Pol Gen Praman Adireksan live, will use this as their last card to deal with Mr Banhan since he is largely discredited for supposedly engineering the formation of the Suchinda Khrapayun government.

The source said this faction has about 40 MPs, all of whom will join PCCT and call for Gen Chatchai Chunchawan to become leader of that party. The move would be led by his nephew Mr Kon Thappharangsi.

"Senior Chat Thai figures are sorry about leaving the party but they have to or they would not be able to lessen Banhan's role. It's possible we will return in the future because we don't think Banhan can build the party, given his image," the source said.

He added that Gen Chatchai would return after everything has been set up, including a move to get the

Constitutional Tribunal to rule on the constitutionality of seizing the assets of politicians alleged to be "unusually rich."

Outgoing Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong, however, said that preparations are being made for Gen Chatchai to return as Chat Thai leader but this will have to wait for a party meeting.

Asked if Mr Banhan will first have to leave the party secretary-general post, ACM Sombun said he did not think so because everyone wants him to remain in the post.

However, he added, the majority in the party will decide the issue.

Former House Speaker Pancha Kesonthong confirmed he may defect from Chat Thai because of "differences in thinking" with other party figures.

Mr Pancha said yesterday he and others in Chat Thai were thinking along different lines and he was frustrated.

The senior party executive is waiting to see if Gen Chatchai returns from London to head the party.

"If he does, things may get better. I will make my decision after the House is dissolved," Mr Pancha said.

Besides the Ratchakru faction, a score of "Young Turk" Samakkhi Tham Party [STP] members, including House Speaker Dr Athit Urairat, are to contest the next election under the PCCT banner.

A member of the "Young Turks," Nong Khai MP Phinit Charusombat, said he and about 20 other MPs would leave the military-backed STP after the House is dissolved.

Mr Phinit said PCCT founder Lt-Gen Rawi Wanphen had already welcomed the defectors to the PCCT.

He said his group had contacted former PCCT leader Gen Athit Kamlang-ek and Secretary-General Suwat Liptaphanlop, both of whom are now with the STP, to ask them to rejoin the party.

Gen Athit said on Tuesday he and Mr Suwat would leave the STP after Parliament is dissolved but had still to decide which party to join.

He hinted they may form their own party.

"I don't think I could set up a party on my own," he said.

A political source said yesterday that Dr Athit was expected to lead the PCCT someday.

He said an informal meeting was held yesterday between Maj-Gen Rawi and the "Young Turks."

"He has agreed to let us run under the PCCT banner in the next election. He only asked that we do not change the party name," said one northeastern STP MP who attended the meeting.

The source quoted Maj-Gen Rawi as saying he was delighted that a group of "ideological politicians" would join his party.

Maj-Gen Rawi was a founder of the party in 1981. The party had one MP after the last election—Col Phon Roengprasoetwit who has since resigned as leader.

The source said about 20 northeastern party MPs had decided to join the PCCT under Dr Athit, a two-time representative for Chachoengsao.

"Khun (STP senior adviser) Buntheng (Thongsawat) will hold an advisory post in the party," said the MP.

Members of the STP's Prachatipatai faction, led by businessman Pol Capt Surat Osathanukroh and former foreign minister Subin Pinkhayan, have also been asked to join the PCCT.

A senior faction member earlier said the faction would not remain with the STP.

"We are urging politicians from other parties to join us. We believe that with his credibility, Dr Athit will strengthen the PCCT," said the source.

Bank of Thailand Growth, Trade Forecasts Cited *BK2606031792 Bangkok BANGKOK POST in English* 26 Jun 92 p 17

[Text] The Bank of Thailand yesterday released an optimistic revised forecast for economic growth this year, compared to other economic institutions, of 7.5 percent.

Assistant Governor Chaibawat Wibunsawadi said the central bank's revised forecast was based on the assumption that there would be no further political turmoil this year. "Disputes, if any, would be settled through parliamentary system," he said.

Last week, the National Economic and Social Development Board (NESDB) and the Thailand Development Research Institute (TDRI) released economic growth forecasts for this year of 7.4 percent and 6.7 percent respectively.

Their forecasts were also based on the assumption that the political crisis had ended. If there was further turmoil, they said the growth rate would fall to 6.5 percent (NESDB) and 5.7 percent (TDRI).

But the central bank said it "strongly believed" the political situation after the general election would be peaceful.

"We believe so by judging from the good intention of the Anan Government to organise a fair election and the alertness of the people about democracy," Dr Chaibawat said.

The central bank also forecast that the country's economy would grow next year by 7.8 percent. "The rates this year and next year are in line with the target set

in the Seventh Economic and Social Development Plan, which set an average growth rate of 8 percent for the plan's five-year period."

Dr Chaipayat said the bloody events of May had affected production and spending. "The effect on spending, however, produces positive results as prices and the inflation rate will not rapidly increase."

The consumer price index rose at an annual rate of 4.3 percent in the first five months of the year and is expected to be 4.7 percent by the end of the year and 4.5 percent next year.

The sectors which were hardest hit by the May events were the tourism, hotel and tourism-related industries, he said.

The industries would lose about 15,000 million baht in income, he said.

The central bank agreed with the NESDB's assessment that the turmoil would cost tourism about 10-20 billion baht, much lower than the TDRI's 30-billion-baht prediction.

The other sector which was adversely affected by the bloody events was the real estate development industry. The demand for luxury condominiums, golf courses and luxury resorts had dropped significantly, he said.

This would have an impact on the construction sector. Many new construction projects had been delayed.

But the unrest had no impact on the government sector's investment.

Exports were expected to be only slightly affected and would total 850,000 million baht, an 18 percent increase on last year.

Imports would be 1,105,000 million baht, a 14.2 percent increase. As a result, the country's trade deficit this year was expected to be 255,000 million baht.

The central bank forecast that exports next year would climb 17.4 percent to 998,000 million baht, while imports would rise 15.5 percent to 1,276,000 million baht. The trade deficit would be 278,000 million baht.

The current account deficit this year was expected to be 208,000 million baht, or 7.7 percent of the GDP. "It will be better than last year, when the current account deficit was equivalent to 8.1 percent of GDP," he said.

"The situation will be even better next year and the deficit will decline to 7.5 percent of the GDP."

The balance of payments this year would enjoy a surplus of 37,000 million baht, while foreign reserves would amount to US\$20.1 billion by the end of the year.

The Government's Treasury reserves by the end of the year would amount to 63,000 million baht, he said.

Credit extension by the banking industry would increase 17.5-18 percent, lower than the 20.8 percent recorded last year and 18.3 percent in the first five months of the year.

Deposits would expand by 16.5-17 percent, compared to 21.4 percent last year and 19.1 percent in the first five months this year, he said.

Dr Chaipayat said the central bank has discussed the May events with commercial banks and had been told the negative impact on the banking sector would only be short term.

Foreign businesses in Thailand had also not lost their confidence in the Thai economy.

The central bank believed strict fiscal policy should be continued to maintain economic stability.

"The Government's balanced fiscal budget will have to be implemented, and Government agencies will have to improve their spending efficiency," Dr Chaipayat said.

Over the past 3-4 years, only about 30-40 percent of the government's investment budget had been spent each fiscal year. "If the Government improves its agencies' spending, it will be able to stimulate the economy without increasing the expenditure budget."

In the 1992 fiscal budget, the Government's total investment budget amounted to 130,000 million baht, or about 28 percent of the total expenditure budget. "If 45-48 percent of the investment budget was spent, it would help a lot."

Government To Seek Aid on EC Subsidy Cuts

*BK2506045392 Bangkok THE NATION in English
25 Jun 92 p B10*

[Text] Thailand plans to seek support from the Cairns Group in pushing for the European Community to cut both internal and export subsidies on farm produce, by pointing out the impact of the EC's agricultural reform policies on developing countries.

Phatchara Itsarasena, permanent secretary for commerce, said Thailand will present its position on the EC's recent reform of the Common Agricultural Policy (CAP) when the country attends a meeting of the 14-member Cairns Group in Geneva on June 27 and 28 as the representative of Asean.

Phatchara said the Thai delegation, to be headed by Deputy Commerce Minister MR Pridiyathon Thewakun, will work with other member countries in setting positions of the Cairns Group on the long-stalled negotiations of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

Emphasis will be given to working out the Group's position on farm trade negotiations between the United States and the EC, for presentation to the upcoming meeting of the G-7 Group of industrialized countries in July, according to Phatchara.

Phatchara said Thailand will tell the Cairns Group that it is worried that developing countries may not receive equal benefit from the reform of the EC agricultural policies.

He noted that the CAP reform may benefit cereal producing countries, especially those growing wheat, barley and oats, but at the same time may hurt those producing substitute crops.

Thailand, apart from being a major rice exporter, is also one of the world's biggest exporters of tapioca products which are considered substitutions for cereal. Phatchara said Thailand is worried that the EC's "rebalancing" will not benefit Thailand and other countries with similar farm production techniques.

The CAP reform, effective July 1, 1993, calls for a reduction in domestic subsidies on cereal by the EC by 29 per cent, but agrees to compensate farmers in subsidies and the reduction of planting areas.

Phatchara said that the CAP reform which involves reducing internal subsidies on oil grains and fresh fruits and vegetables may also benefit countries in Africa, the Pacific and the Caribbean which have special agreements with developed nations, especially the EC and the US, as they may be able to export more of these products to the EC.

Phatchara said the Cairns Group views the so-called Dunkel's Text as a draft agreement to settle problems of farm subsidies among Gatt members which will be acceptable to the Group if some amendments are made.

The Cairns Group, meanwhile, sees that the policies under CAP are still unclear as to what cuts in domestic subsidies will really be made. The CAP states that reduction in subsidies will be effective on certain kinds of farm produce but not all. At the same time, a measure to compensate farmers affected by the reduction of internal subsidies is also seen as based on rebalancing, which is unacceptable to the Cairns Group.

Dunkel's Text calls for the reduction of trade protection measures in the forms of tariffs and non-tariffs, domestic subsidies and export subsidies.

General Views Khmer Rouge Ties, Colonization

*BK2506063392 Bangkok BANGKOK POST in English
25 Jun 92 p 5*

[Report on "recent" interview with General Charan Kullawanitchaya, secretary-general of the National Security Council, by Supapohn Kanwerayotin—place and date not given]

[Text] "The attitude of Thailand towards Cambodia is posing a serious problem. With no regard for the sovereignty of Cambodia, with no respect for the fragility of the men and structures born from tragedy, with a complete scorn for the interests of the Cambodians, Thailand has begun a real colonisation of Cambodia," writes Raoul Jennar, consultant for the NGO [Nongovernmental Organizations] Forum on

Cambodia, in a recent document which is part of his continuous reports on Cambodia.

In fact, several points Jennar documented about Thailand being "the real external threat" to Cambodia have been heard countless times before. Critics and Cambodian watchers tend to lend some credence to some of these thoughts.

But the fact that he put those points on record served as an opportunity to draw out official clarification, especially amidst the rapidly changing setting in Cambodia.

The National Security Council [NSC] wields formidable influence over Thailand's domestic and international policies, notably those concerning our neighbouring countries. In a recent interview with the Post, NSC chief Gen Charan Kunlawanit discussed the Cambodian issue in the context of the Thai thinking which involves cultural, historical, strategic and commercial aspects. All in view of the ongoing peace-keeping efforts by the United Nations Transitional Authority in Cambodia [UNTAC].

—Is Thailand applying pressure for the UN to use Thailand as an exclusive base camp to the detriment of Cambodian interests and particularly the port of Kompong Som?

"We offer the facilities for UNTAC because we want to facilitate the peace process in Cambodia," said Gen Charan, who called the above remark "groundless accusation."

The road networks, sea ports and airports in Thailand are "more convenient" for the UN operations. "Our offer represents a gesture of cooperation to the UN, and it is not fair to interpret our intent other than this," he said.

Gen Charan reminded that it was the Thai Government who offered a budget of 100 million baht to upgrade the Poi Pet-Si Sophon portion of Route 5, and as a consequence blazing the trail for other road improvement projects in Cambodia.

"The UN is now furthering the repair of this route from Si Sophon to Phnom Penh. Would other major roads in Cambodia have been developed had we not started the work for that part of Route 5?"

Thailand, he said, is pleased to learn that Kompong Som port contributes to the transport of goods to Cambodia.

"But we think that the facilities there are not so wide-ranging, and Route 4 is not so convenient. We would love to help reconstruct Route 4 but the task is beyond our economic means to shoulder. We will be very pleased if anyone would help modernise Kompong Som port," he said.

Thailand wants to "grow along with her neighbours" and distribute development to other friends in the region, especially Cambodia, he stressed.

Thailand's aid for the Poi Pet-Si Sophon portion of Route 5 has other dimensions too. Besides augmenting the repatriation work in the immediate terms, Thailand in fact looks forward to making commercial inroads into Cambodia in the longer run.

—Is Thailand beginning, covertly, to call into question the borders and taking the risk of raising one of the most delicate and sensitive questions of contemporary Cambodian history?

"Here's another accusation," said the Thai security chief.

In Gen Charan's view, it was the European colonialists who imposed on the people of this region what he called "unfair border demarcation disciplines and unfair treaties binding border delineation" since days of yore which created problems of today.

"Fairly speaking, the border questions have to comply with principles of international law, and to achieve this we have been preparing ourselves for the onus of agreeable settlements with our neighbours—like what we have settled successfully with Malaysia in the spirit of the people who belong to this region," he said.

"Again when Cambodia becomes an independent, sovereign and developed country, we will start working on the border questions. And don't you worry about that because the Cambodian leaders and the Khmer people are not stupid. We can consult as equal partners, in the friendly spirit of both peoples who belong to the same neighbourhood without any outside interference," Gen Charan added.

According to Gen Charan, the Thai-Cambodian border has only been identified by 73 markers, some portions without any landmarks at all. "This is a technical issue... and I am confident that the two countries will be able to tackle it in good faith," he said.

The Thai-Cambodian border is indeed a sensitive issue. For years during war time, borderlines had been blurred as the immediate objective of the Thai policy dictated the provision of sanctuaries for the Khmer resistance groups fighting forces of the Vietnamese-installed regime in Phnom Penh.

And there is the question of territorial waters. Disputed areas in the Gulf of Thailand—claimed by Thailand, Cambodia and Vietnam—hold vast natural resources, especially oil, gas and fish.

—Is Thailand putting forward proposals regarding the return of the refugees which constitute a real violation of the peace agreements?

Thailand had shouldered the burden of displaced Khmers for more than a decade, Gen Charan said, adding that those who criticised Thailand's humanitarian position should fulfil their words by hosting the Khmer refugees in their countries.

"We have received the refugees to alleviate their plight but upon the arrival of peace they should be able to

return home," he said. "And repatriation is being undertaken by the United Nations High Commissioner for Refugees." [UNHCR]

The Thai proposal to open seven crossing points for the UN-sponsored repatriation was, again, made in good faith to speed up the process, he said.

As Gen Charan explained, the Thai offer was made so that the UN can economise its budget. Instead of having to be transferred from all border camps to assemble in Prachin Buri for the trip home via Poi Pet, the Khmer returnees can be sent straight to their destinations through the Thai-proposed checkpoints.

"We don't care where those Khmer returnees want to go once they get inside Cambodia because they are all Cambodians to us, no matter which group or faction. We don't want to meddle in their internal affairs," he said.

Gen Charan emphasised that the entire process of repatriation—interviewing the refugees on the choice of their destinations, registration and the actual voyage—is executed by the UNHCR.

"Thailand has no say whatsoever on the question of where the Khmer refugees would eventually be inside Cambodia. In fact, our proposal to open those checkpoints incurs extra burden on our part because we have to send personnel to man those spots. The UN set a target of repatriating 40,000 per month, but two months passed and barely 30,000 were gone. They should speed it up," he said.

Reality on the grounds: The Khmer Rouge and the non-communist Khmer People's National Liberation Front (KPNLF) have over the past few years prepared settlements to accommodate Khmer returnees from border camps. While the Khmer Rouge funded those development projects from their own coffer, the KPNLF had received some foreign aid.

Gen Charan discounted the idea that those settlement plans were designed to consolidate electoral support in next year's general elections.

"Already many people have speculated on the outcome of the elections in Cambodia even though a census survey has not yet begun, let alone the fact that voting has never taken place," he said.

—Is Thailand showing no regard for the sovereignty of Cambodia?

"Have we ever violated Cambodia's sovereignty, and if so, how? Have we ever sent troops to invade Cambodia? On the contrary, Thailand had suffered the consequences of fighting inside Cambodia and there had been attacks on Thailand from the Cambodian side many times before," responded Gen Charan.

"We have full respect for the sovereignty of Cambodia... The charge that Thailand has begun the colonisation of

Cambodia is made out of utter pessimism and sheer ignorance for the reality. Colonialism is a matter of the past," he said.

Thailand had experienced "the pain" of avoiding being colonised—a sentiment "that those who never experience will never appreciate."

Thailand and ASEAN had collaborated for more than a decade to have the Cambodian conflict resolved.

"Now with the Paris agreements we still help, by offering to repair roads and carry out demining services which are life-risking," he said.

"We have cooperated with various groups of Khmers who share the border with us. We cannot favour any group in particular. National reconciliation among the Khmers has always been our objective. We want a Cambodia with a strong government that can look after the well-being of its population, can take care of itself without bothering the neighbours. Too bad and unfair for Thailand if one should view this as colonisation," said Gen Charan.

—Profiting from all the weaknesses of Cambodia and the Cambodians, Thailand is buying land, buildings, and men. It is infiltrating into the structures intended to guarantee the sovereignty of the country while demonstrating towards the Khmer Rouge—partners in the profitable trade of precious stones and wood—very disturbing indulgence. Is this true?

"Let's get this straight—Thailand is one thing, the Thai people are another," said Gen Charan.

Thailand is a free country and the Thai people can do whatever they want. The fact that the Thais are on a buying binge in Cambodia is only natural, and the deals struck were the result of mutual agreements.

The Thai people have never ceased doing business with Cambodia even during war time. "Do we ever have a short supply of dried fish?" he asked.

The question of lucrative timber and gemstones trade with the Khmer Rouge brings out the fact that should not be ignored: The Thai military still controls the frontier, which has been off-limits to civilians. Whatever commercial activities conducted by the Thai businessmen need to have access to the areas in terms of production and transportation of goods and equipment across the border. No matter how capable they are in the free-enterprising practices, the Thai businessmen cannot carry out their ventures without access to the areas.

"If the Thai people who want to do business in Cambodia buy land, property and you call this colonisation, how would you respond to the cases of Japanese buying land and property in Hawaii, in New York, or the Arabs in London?" he said.

He pointed to incidents in which UNTAC paid no respect to the Thai sovereignty, for instance, by flying aircraft in the Thai sky without prior notification.

"We thought that those may result from lax cooperation at junior level. If we view it as a violation of national sovereignty, it can be a big issue. We have warned them that the UN is not above Thai sovereignty," he said.

—Thailand and the Khmer Rouge.

"With the national honour of the kingdom, I insist that we did not send arms to the Khmer Rouge during the period of peace negotiations," said Gen Charan.

At war time, he admitted, Thailand used to be the route for foreign arm supply to the Khmer Rouge.

"China, the alleged arms supplier of the Khmer Rouge, has stopped sending weapons for two or three years already," he said.

"But it's a matter of psychological hang-up, the same situation with the genocide which no longer exists since 1978," said Gen Charan.

"It's been a few years since no foreign weapons reached the Khmer Rouge. Now they're talking about the Khmer Rouge receiving arms from Thailand. Does Thailand produce arms? Who produced arms, among the nations talking about global arms reduction? It's like there's no escape from the quagmire, the more you talk, the deeper you sink," said Gen Charan.

On the suggestion that Thailand severed ties with the Khmer Rouge, the National Security Council chief responded, "We are not that crazy."

"The Khmer Rouge or any Khmer share the same fence as ours. Communications and dialogue approach are the answer to neighbourliness. Boycott them and we endanger our own being," he said.

The bottomline of the Thai policy objective is, "If they do not have a place to live, or do not have enough to eat, they will robe others including the Thais."

A solution to the problem of the Khmer Rouge, he said, "is not to force them, but to let them have enough to eat, to enjoy the same standard of living as other people. We see the Khmer Rouge as human beings with stomachs to fill. If we don't do that they will have to find other means of survival. Humanitarianism must not be discriminating."

"Therefore we must give a lot of efforts to rebuilding the country to generate both social and economic development of Cambodia. We have no grudges against the success of our neighbours," said Gen Charan.

"We will be very pleased if there is the Niyom Thai (popular Thai) trend in Cambodia but that does not mean that we can usurp the administrative power of Cambodia," he said.

Border Committee Meeting Held With Malaysia

Separatist Activities Viewed

*BK2506042592 Bangkok BANGKOK POST in English
25 Jun 92 p 6*

[Text] Songkhla—Thailand is to seek Malaysia's assistance in trying to fight separatist activities by groups operating in the five southernmost Muslim-dominated provinces.

Fourth Army Region commander Kitti Rattanachaya said yesterday the request would be made at the Thai-Malaysian Regional Border Committee meeting scheduled at Hat Yai today.

Lt Gen Kitti, who is heading the Thai delegation at the meeting, said Malaysia's assistance was needed because the separatists were based across the border. He said it was hoped the cooperation would lead to the disbanding of armed elements among the separatist movement later this year.

Sources said Lt-Gen Kitti was confident, but there were many difficulties as separatist leaders in Malaysia had asked that 23 conditions be met before accepting a truce. Some of these are beyond the Fourth Army's authority to decide.

The separatists have demanded that all leading local authorities in the southern border provinces, such as governors and similar, be Muslim.

Lt-Gen Kitti said the Thai and Malaysian delegates would continue their talks today on border demarcations, joint military exercises and the repatriation of former Communist Party of Malaya [CPM] insurgents to Malaysia.

The two countries have been successful in stopping armed CPM activities and Malaysia has agreed to take back former members who for decades used Thai territory along the border as their base for armed activities in Malaysia.

News Conference Held

*BK2606084592 Bangkok Radio Thailand Network
in Thai 0000 GMT 26 Jun 92*

[Report by station correspondent Wirangkhan Imban in Songkhla Province, date not given—recorded]

[Text] A joint news conference on the 59th meeting of the Joint Thai-Malaysian Regional Border Committee was held at the B.P. Grand Tower Hotel's conference hall in Hat Yai District, Songkhla Province. The news conference was co-chaired by Thai Fourth Army Region Lieutenant General Kitti Ratanachaya and Malaysian First Military Corps Commander Lt. Gen Datuk Othman Bin Hawan.

Lt. Gen. Kitti said the major topic of discussion at the joint border committee meeting was general border problems. Each problem was discussed, particularly the problem which affected the border area, to find a common solution and to enhance bilateral relations. Plans for joint air and sea

exercises were also discussed. A joint military land exercise is expected to be held next year.

The atmosphere at the four-day meeting was cordial and sincere. This bodes well for cooperation in resolving the problems and promoting good neighborly ties between the two countries, Kitti said. He also noted that officials assigned to posts in the border areas should be selected properly to avoid problems.

Trade Firm To Expand Into Russia, Mexico, Africa

*BK2506061792 Bangkok BANGKOK POST in English
25 Jun 92 p 15*

[Text] Charoen Phokkhaphan [CP] Group plans to expand its business empire further by trading and investing in Russia, Africa and Mexico.

According to Phonsin Phatcharintanakun, president of CP Intertrade the group's trading arm, prospects in these countries are very bright. Russia in particular, has a good potential following the major political and economic reforms there.

Mr Phonsin said his firm will join the ASEAN trading mission to Russia late this month, and will participate in its trade fair in Moscow in September.

He said the CP Group is especially interested in investing in the fish meal industry in Russia. Russian fish meal is recognised as a quality product. Moreover, it has many manufacturing plants located close to ports.

"There are many ports in this area especially in Vladivostok which is convenient for shipping products to Thailand," he said. But, he added that the group will not apply the barter trade system in dealing with Russia, like many firms have done, because such a system has proved less beneficial.

Long-time trading partners with Russia in Thailand include the Metro Group. It is a leading agro-business group which had formed a joint venture firm, ASPAC Co, with Soviet Russia and Mitsui and Co (Thailand).

Normally, Thailand purchases fertiliser and machinery, while it exports garments and agricultural products.

Mr Phonsin said his firm is also interested in trade with African countries, due to their rich resources. But, he did not elaborate.

CP Group also plans to put primary investment in Mexico.

Meanwhile, Mr Phonsin said CP's export target this year would remain at its earlier prediction of 9,000 million baht, because last month's political unrest was unlikely to have any effect.

The exports of chicken, however, have been reduced slightly, particularly in the European Community market. This is due to the penalty levy imposed by the

EC since the beginning of May, after excessive exports from Thailand during the first four months.

The imposition means Thai chicken exported to the EC has to pay an additional 50 ECU for each 100 kilogrammes, which means the products are now charged a total of 130 ECU for every 100 kilogrammes of chicken. Hence, Thai exporters agreed to control their exports by limiting the volume to 14,000 tons by the end of this year.

Mr Phonsin said exporters will discuss the problem next month.

"At present, we have not decided how to handle this issue. We might wait until later this year, probably in October, and make a decision," he said.

He said exporters will consider the possibility of asking for a higher export quota, if the EC still maintains the additional levy. "But, we prefer the free export system," he said.

Because of the penalty levy, chicken exports are likely to drop by 16 percent this year.

Thailand's exports of chicken have risen continuously during the past three years. CP Group alone exported frozen chicken to the EC in the first four months of this year totalling 2,500 tons, against the total exports from Thailand of 6,486 tons. During the same period, CP Group's exports to Japan totaled 13,350 tons, against 47,853 tons in total.

Vietnam

Spokesman Says No POW's Remained After War

BK2506152692 Hong Kong AFP in English 0952 GMT 25 Jun 92

[Text] Hanoi, June 25 (AFP)—Hanoi denied Thursday that any U.S. prisoners remained in Vietnam after the war and said it would cooperate with the United States "to clarify any rumor on this subject."

"Vietnam has repeatedly declared that all the American prisoners from the Vietnam War and all the Americans who stayed in Vietnam after April 30, 1975 have been turned over by Vietnam to the U.S. side," a Foreign Ministry spokesman said.

"Vietnam is ready to cooperate with the United States to clarify any rumor on this subject."

Hanoi was reacting to a U.S. senator's statement that some American prisoners may have remained alive in Indochina after Operation Homecoming in 1973, contrary to declarations made at the time by both Hanoi and Washington.

John Kerry, head of a Senate committee investigating the prisoner of war/missing in action (POW/MIA) issue, cited newly released documents as showing that of 244

U.S. servicemen who failed to come home in the 1973 operation, only 111 are known to have died in captivity.

"That leaves 133 people at the end of Operation Homecoming that we should be asking questions about," Kerry said Wednesday.

Hanoi maintains that it released all its U.S. prisoners in the spring of 1973 in line with the Paris peace accords under which the United States pulled its combat troops out of Vietnam.

After Hanoi's forces toppled the U.S.-backed South Vietnamese government two years later, Hanoi reported more than 70 Americans who had stayed in Vietnam voluntarily, in most cases to avoid abandoning Vietnamese wives or girlfriends.

U.S. and Vietnamese experts are currently carrying out their 18th joint field investigation since 1987 to account for U.S. servicemen still listed as MIA 17 years after the end of the Vietnam War.

Washington continues to withhold diplomatic recognition and prohibits trade with Hanoi due to the emotionally charged issue.

World 'Opinion' on Sino-U.S. Oil Deal Noted

BK2506150792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jun 92

[QUAN DOI NHAN DAN article: "World Public Opinion Should Respect Vietnam's Sovereignty and Interests at Sea"—date not given]

[Text] As was previously reported, the China National Offshore Oil Corporation signed a contract on 8 May in Beijing with the U.S. Crestone Energy Corporation to explore for oil in a 25,000 square-km area which the Chinese side calls Van An Bac 21. According to the map coordinate made public by China, the so-called Van An Bac 21 area turns out to be part of the SRV continental shelf belonging to Ba Ria-Vung Tau Province. The nearest point of this area is only 84 nautical miles—around 160 km—from Vietnam's baseline, from which the breadth of Vietnamese territorial waters is measured. This area completely lies under Vietnamese sovereignty.

On 17 May the Vietnamese Foreign Ministry issued a statement protesting the serious violation of Vietnamese sovereignty over its continental shelf and its exclusive economic zone. This action has endangered regional stability.

Immediately following the issuance of the Vietnamese Foreign Ministry statement, world public opinion began to pay specific attention to this incident. In a dispatch, the AP news agency in Hanoi carried the Vietnamese Foreign Ministry's statement condemning the deal between the Chinese and U.S. corporations. The dispatch quoted a spokesman for the Vietnamese Foreign Ministry as saying that what these two companies have

done will negatively affect the ongoing favorable development of relations between Vietnam and China and cause anxiety to other countries concerned in the region.

Mass-circulation newspapers in Tokyo, Japan reported that the Vietnamese Foreign Ministry had issued a statement dealing with the Chinese and U.S. oil companies' deal on oil exploration and exploitation on Vietnam's continental shelf. They also cited a VNA dispatch saying that Vietnamese Deputy Foreign Minister Vu Khoan had handed over a protest note to the charge d'affaires of the Chinese Embassy in Vietnam. The newspaper MAINICHI said: The Vietnamese Foreign Ministry statement warned that the Sino-U.S. deal might hamper the process of normalizing Sino-Vietnamese relations and endanger regional stability.

Commenting on the Vietnamese Foreign Ministry statement, BBC radio on 18 May said: This issue has gone beyond Vietnam's genuine economic concern as the statement points out that the deal China struck with the Crestone Corporation is detrimental to regional stability and runs counter to the trend toward improving relations between nations, especially the trend toward normalizing Sino-Vietnamese relations. At one point, the commentary says: The Chinese Navy's rapid growth has worried Southeast Asian countries. The commentary held that China's signing the contract with the Crestone Corporation concerning an area that is clearly understood to be Vietnamese territory can, at the least, be seen as a provocative move.

The NEW YORK TIMES on 18 June carried an article by Kristof on the 8 May deal between China and the U.S. Crestone Corporation. The article quoted Mr. Thompson, the president of the Crestone Corporation, as saying that he knew the area was under dispute but added that he had the strong backing of the Chinese side. Mr. Thompson said he had received assurances from top Chinese officials that they would use their naval power to provide him with adequate protection. He said they told him in various discussions that they would dispatch a naval fleet to the area to protect him if they deemed it necessary.

Mr. Kristof, the author of this commentary, observed that China's pledge to use its naval forces to provide protection for the Crestone Corporation will certainly increase regional tension. Mr. Kristof quoted an Asian diplomat's statement that there are signs that China is changing its policy toward disputed areas and pursuing a more warlike stance.

According to Mr. Kristof, a U.S. official was present at the contract-signing ceremony. However, the U.S. Embassy later denied that there was any involvement in the deal and said that all land disputes should be solved by peaceful means.

Even U.S. State Department Spokeswoman Tutwiler said: Crestone is a private corporation and the U.S. Government did not play any role in this corporation's deal. The U.S. State Department spokeswoman also said

the Crestone Corporation had been informed of Vietnam's claim of sovereignty over the sea area about which the Crestone Corporation signed the contract with China.

Touching on the disputed area, Ms. Tutwiler said: The United States thinks that those countries involved should solve their disputes by peaceful means and that the freedom of sea shipping should be maintained.

Radio French International on the evening of 18 June quoted a FAR EASTERN ECONOMIC REVIEW article, which was entitled: "Immediate Danger," as saying that last May China arrogantly signed an agreement authorizing a U.S. corporation to explore for oil in the area under dispute. Faced with this Vietnamese protest, the Chinese Ministry of Justice brazenly stated that the Spratlys have been under their sovereignty since time immemorial.

As for the Vietnamese Foreign Ministry's 17 May statement, the Philippine Government issued a news bulletin saying that the Philippine Government holds that this new development does not contribute to efforts aimed at building a favorable political atmosphere for solving conflicting demands in a peaceful and fair manner. The Philippine Government recalled that those parties involved had guaranteed they would seek a peaceful approach. It also expressed hope that steps in this direction will be taken in the near future.

The world public, especially people in Southeast Asia, are concerned about those violations against Vietnamese sovereignty in the Eastern Sea and express the hope that through negotiations, the parties involved will be able to find fair and sensible approaches capable of meeting the interests of Vietnam and peace and stability in the region.

Criticism of Deal Reviewed

OW2506191692 Hanoi Voice of Vietnam
in Mandarin 0830 GMT 25 Jun 92

[From the "Weekly Talk" program]

[Text] As was previously reported, the China National Offshore Oil Corporation and U.S. Crestone Energy Corporation signed a contract in Beijing on 8 May concerning the exploration and extraction of petroleum in a 25,000 square km area which the Chinese side calls Van An Bac 21. To whom does Van An Bac 21 belong? We would like to explain this question in today's program.

According to the map coordinates released by the Chinese side, Van An Bac 21 turns out to be part of the continental shelf belonging to Vietnam's Ba Ria-Vung Tau Province. The nearest point of this area is only 84 nautical miles from Vietnam's shoreline. The Territorial Waters Law promulgated by the United Nations on 10 December 1982 stipulates that the continental shelf of a country extends 200 nautical miles from its shoreline. Hence, the Van An Bac 21 area obviously lies within

Vietnamese territory. Furthermore, Vietnam has declared twice—on 18 April and 16 August 1989—that it had begun the construction of service facilities on its special economic zone there. On the basis of the aforesaid facts, the Vietnamese Foreign Ministry issued a statement on 16 May this year, protesting the serious violation of Vietnamese sovereignty over its continental shelf and its special economic zone. The statement also warned that this action would endanger regional stability.

The world's public opinion has paid close attention to the above-mentioned events. In a commentary broadcast on 18 May, the BBC pointed out that the contract signed between the Chinese and U.S. petroleum firms would harm regional stability and run counter to the trend toward improving relations between nations, especially the trend toward normalizing Sino-Vietnamese relations. An AFP dispatch by its correspondent from Hanoi noted that the Chinese-U.S. contract on oil exploration would have an adverse effect on Vietnamese-Chinese relations and disturb countries in the region. Newspapers in Tokyo expressed fear that the Sino-U.S. contract would create danger and instability in the region. The Philippine Government believed that the contract would undermine the endeavor to establish a peaceful and just political atmosphere for smooth settlement of disputes. The Philippine Government reiterated that the parties concerned should pledge to seek peaceful settlement, and expressed the hope that this [words indistinct] would be realized in the near future.

The international community, especially the people in Southeast Asia, are concerned about the violation of Vietnamese territorial waters. Throwing their all-out support for the Foreign Ministry's 16 May statement, the people of Vietnam are declaring that Vietnam is willing to join China and the Southeast Asian countries in an effort to establish an atmosphere of trust and cooperation based on mutual respect for independence, sovereignty, and territorial integrity, and to actively contribute to peace, cooperation, and development in Southeast Asia. This is an irreversible trend in the regional and global situation.

Business Investment Delegation Visits Singapore

*BK2506075-192 Hanoi VNA in English 0635 GMT
25 Jun 92*

[Text] Hanoi VNA June 25—A seven-member Vietnamese delegation led by first vice-minister for construction Nguyen Manh Kiem Tuesday held talks with French businessmen in Singapore on construction investment opportunities in Vietnam.

Some 40 French businessmen, officials of the French Embassy, the French trade office, and local businessmen "were briefed on business opportunities open to foreign investment and participation in Vietnam." The head of the Singapore office of Vietnam Business Services (VBS), Mr. Han Vo Ta, said the briefing was held ahead

of a seminar on construction and real estate opportunities in Vietnam to be held in Singapore Friday.

The seminar will be jointly hosted by VBS, Singapore's Construction Industry Development Board, the Singapore Contractors' Association, and the Real Estate Developers' Association of Singapore.

Indonesian Envoy Calls on Vo Van Kiet

*BK2406155192 Hanoi VNA in English 1544 GMT
24 Jun 92*

[Text] Hanoi VNA June 24—Juwana, Indonesian ambassador to Vietnam, this afternoon paid a courtesy visit to Chairman of the Council of Ministers Vo Van Kiet.

The Indonesian ambassador told Chairman Vo Van Kiet that Indonesia will strive to implement the agreements on cooperation in economy, science and technology, aviation, maritime transportation and forestry signed between the two countries. He informed Chairman Kiet that Indonesia will send a ministerial delegation to Vietnam to discuss the broadening of cooperation in agriculture, telecommunications, and in other fields in conformity with the interests and aspiration of the two peoples.

For his part, Chairman Kiet expressed his hope that in his term of office here, Ambassador Juwana will make significant contributions to the consolidation and strengthening of the existing friendship and cooperation between Vietnam and Indonesia.

"The cooperative relations between Vietnam and Indonesia, reliable friends, have undergone trials and developed qualitatively," Chairman Kiet noted.

"Vietnam will do its utmost to continue consolidating trust, broadening cooperation in various fields, firstly in economy and trade, for the prosperity of each country, and for peace, friendship, stability, cooperation and development in the region."

Chairman Vo Van Kiet took this opportunity to congratulate the Indonesian people on their recent successful general election.

Investor Fraud in Ho Chi Minh City Noted

*BK2506073292 Hanoi Voice of Vietnam Network
in Vietnamese 1000 GMT 22 Jun 92*

[From the press review]

[Text] In its economic news section, NHAN DAN carries on its front page Nguyen Tien Phuoc's article analyzing why some investment projects in Ho Chi Minh City can not be implemented.

According to the article, in Ho Chi Minh City since the beginning of May, there have been 171 projects approved by the State Committee for Cooperation and Investment since the Law on Investment came into

existence. But the number of projects actually put into practice is only 57, or 33.33 percent of the approved projects.

There are another 24 projects facing difficulties plus 19 projects that can not be started, 25.1 percent of the total projects. There have been 20 projects that forfeited their operating licenses, 11 percent of the total. All these projects account for 26 percent of the total projects. This situation is not a trivial matter.

The cause of the aforementioned situation, the article says, is that many self-proclaimed investors are only high-class intermediaries when they apply for investment licenses. They apply for the license, then sell it to other companies for a sumptuous commission. They do not care whether the projects are viable or not. The intermediaries exploit the lack of information, research, and dialogue in Vietnam and pretend that they are big investors.

Worse still, those investors also use licenses as fronts for illegal trading activities; they do not invest any money in production and business, as stated in the licenses. They bring in tax-free commodities and then sell in the market instead of for foreign currencies as stipulated in their projects. The commodities can be either building materials or internal decoration materials whose value and quality we do not know. Sometimes, they complain that their Vietnamese side does not contribute enough capital or the business faces financial difficulties due to new demands, and so on.

Another obstacle for investment projects is the complexity in the procedure for granting licenses; that definitely needs to be improved.

Press Day Editorial Views Role of Press

*BK2506152792 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 19 Jun 92*

[Text] On the occasion of Vietnam's revolutionary press day, the paper NHAN DAN today carries an editorial under the title "The Glorious Traditions and Great Social Responsibility of the Press." After reviewing the traditions of the Vietnamese revolutionary press over the past 67 years, the editorial says:

Illustrating the glorious traditions of the revolutionary press—founded, directed, and trained by Uncle Ho and our party—in the past few years of renovation, the press has renovated itself and contributed voluminously to the country's highly important initial achievements. By actively improving the contents and forms of approaching the masses, the press has been able to more satisfactorily satisfy the people's needs for information and a spiritual life, thus helping to accelerate the process of renovation under the party's leadership.

However, apart from its efforts and achievements, the press has revealed shortcomings and weaknesses in its

activities. There have been serious shortcomings such as nursing a tendency toward commercialization and indulging itself in the dissemination of news that is sexually provocative and could kindle violence. Some press articles have alienated themselves from correct political guidelines, thus breeding doubts among readers.

Although the process of renovation in the country has achieved highly important initial results, it is facing new advantages and difficulties. Due to complex changes in our country's socioeconomic situation as well as in the world situation, our journalists have to shoulder a glorious and heavy social responsibility.

Thoroughly understanding the viewpoints of our party and state concerning the press and for the sake of the future development of our country and the happiness of our people, it is the loftiest aim of the press and high conscience and responsibility of our journalists to struggle for the political stability and socioeconomic development of the country, as well as for the advancement of the process of renovation.

At a time when the party is holding power in a society that is striving for development, and in a law-governing state of the people, by the people, and for the people, the press must be placed under the party's leadership and operate according to the law, especially the articles specified in the 1992 Constitution.

The Press Law and the decree guiding the implementation of the Press Law stipulate that party leadership and state management by law must absolutely not restrict the dynamic role, mass character, and scientific and constructive struggle nature of press agencies and the ability and creative work of journalists. Correctness in leadership and management is aimed at improving the quality and increasing the efficiency and social responsibility of the press so that it can truly serve as the voice of the party, state, and mass and social organizations, as well as the forum of the people.

The press is duty-bound to exercise the lawful right of the people—the right to be informed of the situation in the country and the world in all aspects. Meanwhile, due to its responsibility toward society and the citizens as well as its professional consciousness, the press must disseminate information promptly, honestly, and accurately under numerous forms and correct guidelines in order to shape and direct healthy public opinion conducive to the process of renovation and the democratization of society.

The press must also strive to further satisfy the needs for a selected spiritual culture of the people, improve their intellectual standard, cultivate healthy tastes, struggle against serious and lingering negative phenomena, and restore social order and discipline. The press cannot tolerate cultural activities and information detrimental to national interests and the dignity, ethics, and fine lifestyle of the Vietnamese people as affirmed by the Constitution.